

Analysis of Financial Reports on Company Financial Performance Assessment

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Abstract

Background One of the keys to a company's success is its ability to create profits, where profits are an important component in financial reports which are used as indicators to assess company performance. One indicator tool that can be used as a performance parameter is through financial report analysis.

Research purposes This is to find out how the company's financial performance at PT Workshop & Spare Parts. CAB Bogor from 2017 to 2021 using financial ratios and to determine the performance of PT.CAB Bogor Workshop & Spare Parts compared to the company's industry average standards.

Method The research design in this research uses a type of quantitative descriptive research that addresses the actual problem by identifying and measuring financial performance which is viewed from financial ratios.

Results This research on liquidity ratios, solvency ratios, activity ratios is generally in poor condition, while the profitability ratio is in very good condition because every year it experiences increases and decreases which are still above average. Meanwhile, the results of the financial ratios when compared with industry average standards illustrate that the company is still having difficulty competing with other similar companies

Keywords: financial report analysis, performance, financial ratios.

I. INTRODUCTION

One of the keys to a company's success is its ability to create profits, where profit is an important aspect of the financial report component which is used as an indicator to assess company performance. Meanwhile, financial performance is a very important thing for companies to evaluate the efficiency and effectiveness of an activity (Wahyuningsih & Widowati, 2016).

In a company, the financial report is very influential, its function is to find out what problems the company is facing and also whether the company is in good condition or not. This can be seen from the company's financial report and the need for financial report analysis (Destiani, 2021).

In a company, financial reports are very influential in being able to know what problems the company is facing and also whether the company is in good condition or not, which can be seen from the company's financial reports and financial report analysis is needed (Dwi, 2021). Sujarweni (2017:35) Financial report analysis is an analysis carried out to look at a company's financial situation, how its results are achieved.

PT. CAB Bogor is one of the companies that focuses on the automotive sector, especially Suzukii four-wheeled vehicles, both sales and Suzukii small vehicles. Then at PT. CAB Bogor also sells cars and sells spare parts or in other terms it is said to be spare parts, while this company focuses more on the sales of parts & spare parts at PT. CAB Bogor

Below is data related to total assets, sales and share profits at Bengkel and Bogor CAB Spare Parts from 2017 to 2021 as attached in table 1:

**Table 1. Total Assets, Sales and Net Profit in Workshops and Spare Parts
PT. CAB Bogor 2017-2021**

Year	Total Assets (Rp)	Sales (Rp)	Net Profit (Rp)
2017	29.240.000.000	3.718.712.018	2.729.223.599
2018	29.240.000.000	3.069.758.378	1.485.521.004
2019	29.240.000.000	3.728.552.494	2.252.093.246
2020	29.240.000.000	2.989.137.191	2.177.214.455
2021	29.240.000.000	4.542.757.098	4.243.883.786

Source: PT. CAB Bogor (Data Processed), 2022

From table 1, it can be seen that the data on total assets, sales and share profits for Beingkeil & Spare Parts PT. The Bogor CAB from 2017 to 2021 shows that the company's condition is experiencing a fluctuating state, which means that the company's condition is experiencing changes every year and is not stable. Based on this, so that financial reports are in line with the desired targets, tools are needed to measure financial performance, one of which can be used to analyze financial reports by using financial ratio analysis.

Based on the description above, this activity has the aim of knowing the financial performance conditions of the company Beingkeil & Spare Parts PT. CAB Bogor intends to use financial ratios and also to know the results of financial ratio analysis compared to industry average standards.

II. METHODOLOGY

The research design in this research uses a type of quantitative descriptive research which addresses the actual problem by analyzing and measuring financial performance which is viewed from financial ratios, namely at PT. CAB Bogor from 2017 to 2021..

The type of data used in this research uses quantitative descriptive data which utilizes quantitative data and is described descriptively. The data sources used in this research are primary data and secondary data (Sugiyono, 2019).

The data collection procedures used in this research are library studies and field studies, literature studies are related to theoretical studies and other research related to values, culture and norms that are balanced in the social situation studied (Rosady, 2016).

Meanwhile, the data analysis used in this analysis is by analyzing financial reports by calculating financial ratios and the results will be compared with the average standards of the company's industry and the like." solvency, activity ratio and profitability ratio (Bungin in Ardianto, 2014).

III. RESULTS AND DISCUSSION

3.1 Rasio Likuiditas

1. Current Ratio

Current ratio provides a picture of how liquid the situation is and is capable of paying the company's long-term liabilities. The high ratio will indicate that the current assets owned by the company are sufficient to pay its short-term liabilities, thus indicating the financial health of the company.

2. Cash Ratio

Cash ratio is an indication of how much a company can pay its short-term liabilities with the cash it has without having to rely on selling assets or obtaining additional loans.

3. Cash Turnover

Cash turnover helps measure how efficient a company is in managing its cash assets.

3.2 Rasio Solvabilitas

1. Ratio of Total Debt to Total Assets (Debt to total assets ratio)

The ratio of Total Debt to Total Assets provides a picture of the level of a company's dependence on debt to finance its operations.

2. Ratio of Total Debt to Equity Ratio (Debt to equity ratio)

The ratio of Total Debt to Own Capital reflects the level of dependence of the company on debt financing in comparison with own capital.

3.3 Rasio Aktivitas

1. Total Asset Turnover (Total Asset Turnover)

Total Asset Turnover determines the company's operational efficiency in generating income from the assets it owns.

2. Working Capital Turnover Ratio

The Working Capital Turnover Ratio provides an overview of how efficient a company is in using its working capital to generate sales."

3. Fixed Asset Turnover Ratio (Asset Turnover Ratio)

Fixed Asset Turnover Ratio helps in assessing how efficiently a company uses its fixed assets to generate sales

3.4 Profitability Ratios

1. Gross Profit Margin (Gross Profit Margiin)

Gross Profit Margin provides an overview of the company's efficiency in the production process and management of direct production costs.

2. Net Profit Margin

Net Profit Margin is one of the main indicators of a company's overall profitability.

3. Return on Capital

ROE is a measure of profitability performance that underlies a company's overall business.

4. Return on Assets

ROA provides an overview of how efficient a company is in generating profits from the assets it owns.

Table 2. Financial Performance of PT.CAB Bogor Using Financial Ratios from 2017 to 2021

Ratio	2017	2018	2019	2020	2021	Ratio Standard	Categori
Likuiditas							
Current Ratio	1,88 x	1,79 x	1,87 x	1,86 x	1,85 x	2 kali	not good
Cash Ratio	3%	2%	2%	1%	1%	50%	not good
Cash Turnover	3,54 x	3,87 x	3,60 x	3,59 x	3,59 x	10 kali	not good
Solvabilitas							
Debt to Asset Rasio	33%	34%	33%	33%	34%	35%	not good
Debt to Equity Ratio	49%	51%	50%	49%	51%	90%	not good
Aktivitas							
Total Asset Turnover							
Working Capital Turnover	1,02 x	1,05 x	1,05 x	1,03 x	1,04 x	2 kali	not good
Fixed Asset Turnover	1,65 x	1,72 x	1,68 x	1,66 x	1,66 x	6 kali	not good
	2,7 x	2,6 x	2,8 x	2,7 x	2,8 x	5 kali	not good
Profitabilitas							
Gross Profit Margin							
Net Profit Margin	39%	40%	40%	39%	40%	30%	Very good
Return On Equity	73%	48%	60%	72%	93%	20%	Very good
Return On Asset	114%	77%	95%	112%	148%	30%	Very good
	76%	50%	63%	75%	98%	40%	Very good

Source: Data processed, 2023

Table 2. is data from the recapitulation of the analysis of company financial performance measurements at PT CAB Bogor from 2017 to 2021 using financial ratios. Based on the table tabulation, it can be concluded that judging from the condition of company performance at PT CAB Bogor over the past 5 years it has been at good condition, but when compared with standard ratios, the company's financial condition is in poor condition. Every year the company experiences minus but the company can still be said to be good. This negative ratio occurs because the company has not been able to utilize the assets owned by the company. In the profitability ratio, the condition of the company is very good, the company can generate the desired profit and the company can manage its assets. The results of this research are in accordance with several previous studies such as research by Destiani and Hendriyani (2021), Andriani (2019), Batubara and Nasution (2019) and Hilal (2018) which shows that the company's financial performance over time tends to fluctuate and is still said to be good, however, if it is related to the standard average ratio of other companies, the position is lacking in poor conditions, this shows that the company's performance, especially in management Financial management must be improved further in order to achieve the ideal and exceed the existing standard ratios.

IV. CONCLUSIONS AND NEWNESS

Based on the research results presented in the previous section related to the analysis of financial reports to assess financial performance by using the financial ratios contained in the Workshop & Spare Parts of PT. CAB Bogor, it can be concluded that the condition of the company's performance at the Workshop & Spare Parts of PT. CAB has been in good condition for the past 5 years, even though compared to industry standards, the company's financial condition is in poor condition. Through the results and conclusions of this research, it is hoped that PT CAB management can improve its performance, especially regarding its management or financial management as material for recommendations and improvements and improvements in the future

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