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A financial statement analysis addressing the issue of excessive inventory: a case study of a Lithuanian electronics company

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Abstract

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Financial statements are records of the financial activities of a business. However, financial statements alone do not provide meaningful conclusions. They have to be analysed to get an insight into the strengths and weaknesses of a business. The objectives of this thesis are to evaluate the financial condition and performance of a Lithuanian company engaged in the trade of electronic parts and components through analysis of its financial statements, to further investigate any significant issues arising from the analysis, and finally to propose possible solutions.

The analysis was performed on the balance sheet and income statement of the case company for the years 2010-2012. In the thesis the reader is presented with explanations of these financial statements and financial statement analysis which is then applied to the case company. The types of analysis performed are horizontal, vertical and ratio. The analysis revealed that the most problematic area of the case company is excessive inventory. The thesis provides theoretical background on inventory management, reasons behind the problem of excessive inventory at the company, and recommendations on how to solve the issue. XYZ analysis was performed to determine on which few items the Company should concentrate to considerably reduce obsolete inventory value in the future.

Key words financial statements, analysis, ratio, inventory, obsolete

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1 Introduction

1.1 Presentation of the Company

The case company (hereafter 'the Company') is a private limited liability company registered in the Republic of Lithuania. The Company is engaged in wholesale and the retail of electronic parts and components. The shareholders of the Company are natural persons of the Republic of Lithuania. The Company was founded in 1992 and now has five stores in all major Lithuanian cities: Kaunas, Vilnius, Šiauliai and Klaipėda. The Company has a subsidiary in Latvia, Riga.

1.2 Objectives of the thesis

The objectives of the thesis are to perform a financial analysis in order to evaluate the financial condition and performance of the Company, and to further investigate the most problematic area of the Company and give recommendations for possible solutions.

The main research questions are:

- What are the strengths and weaknesses of the Company?
- How can the most significant weakness of the Company be improved?

1.3 Structure of the thesis

The thesis starts with the introduction where the Company, objectives of the thesis and methodology are presented. Apart from the introduction and conclusions, the thesis has two main parts. In the first part of the thesis, the reader is presented with the explanation of the income statement, balance sheet and financial statement analysis as well as with the analysis itself. The first part of the thesis ends with the identification of the most significant weakness of the Company. The second part of the thesis provides theoretical background on the area of the issue, the reasons that underlay the problem, as well as recommendations for possible solutions. Finally, a review of the whole study is presented in the conclusion.

1.4 Methodology

The data used for analysis are the financial statements of the Company, i.e. the balance sheet and income statement for the years 2010-2012 provided by the Company. As financial statement analysis did not reveal the reasons behind the Company's condition and performance, a discussion was held with the management of the Company in order to identify them. The report was then updated with the findings from the discussion.

2 Financial statements

The two most common financial statements are the balance sheet and income statement (Madegowda 2007, 22). The balance sheet reports a company's assets, liabilities and equity on a particular date. The relationship between these accounts is expressed through the basic equation that assets must equal liabilities plus equity. Assets are the resources with economic value that a company has, whereas liabilities and equity are the means for financing those resources. Liabilities represent debts owed by a company, and equity includes invested capital and retained earnings. Assets and liabilities are classified as current and non-current. Current assets include cash and anything expected to be turned into cash or used up within a year. Current liabilities are debts that will come due within a year (Temte, Boscaljon, Dizenhuz, Ferraro, Lummer, Filbeck, Kuhlman, Manzi & Smaby 2004, 7).

The income statement shows a company's operating results in terms of revenue and expenses throughout a particular period of time. If expenses are less than revenue, the difference is net profit. If expenses are more than revenue, the difference is a net loss (Temte et al. 2004, 2).

3 Financial statement analysis

Financial statements contain absolute figures which lack communication. Financial data has to be analysed to get an insight into profitability, solvency, liquidity or stability of a company. The process of discovering the importance and meaning of the data in financial statements is called financial analysis. Financial analysis simplifies the understanding of financial statements and helps to identify strengths and weaknesses of a company (Madegowda 2007, 25-26).

3.1 Horizontal analysis

Horizontal analysis involves comparing financial statements of a number of years. From observing changes in financial items across the years, it is possible to draw conclusions about the progress and deterioration of financial position and performance of a company. The attention is focused on those items that have changed significantly. Moreover, horizontal analysis help to identify prevailing trends based on which it is possible to make reasonable forecasts (Gopal 2009, 180-181).

3.1.1 Horizontal analysis of the balance sheet

Non-current assets were inconsiderably decreasing from 2010 to 2012. They decreased by 0.35 percent in 2011 and by 1.59 percent in 2012. Non-current assets comprise intangible assets, tangible assets, financial assets and other non-current assets which all contributed to the above mentioned changes.

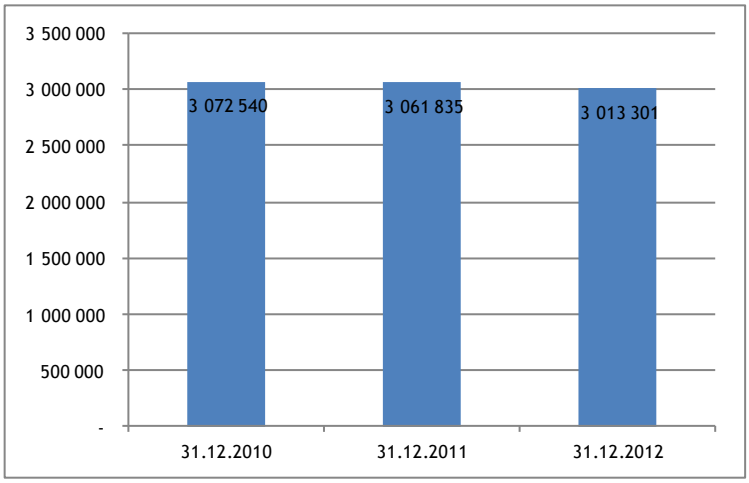

Figure 1: Non-current assets

Intangible assets of the Company are computer software. Amortization is calculated on straight-line method to write off the cost of computer software to their residual values over their estimated useful life of 3 years. As can be seen in 1 table below, in 2011 the Company purchased five Pragma v. 4.0 licences for LTL 5 625 whereas amortization within the year equalled LTL 12 975. Amortization exceeded acquisitions and thus intangible assets decreased by 39.58 percent from LTL 13 888 to LTL 11 221. In 2012, the Company acquired ten licences of Microsoft Office Standard 2010 for LTL 10 450 whereas amortization within the year equaled LTL 7 784. Acquisitions exceeded amortization and thus intangible assets increased by 23.77 percent to LTL 18 571.

In Litas	Computer software
ACQUISITION COST	
31 December 2010	**130 980**
Asset additions within 2011	5 625
31 December 2011	**136 605**
Asset additions within 2012	10 450
31 December 2012	**147 055**
AMORTIZATION	
31 December 2010	**112 409**
Amortization within 2011	12 975
31 December 2011	**125 384**
Amortization within 2012	7 784
31 December 2012	**133 167**
NET BOOK VALUE	
31 December 2012	**13 888**
31 December 2011	**11 221**
31 December 2010	**18 571**

Table 1: Intangible assets

Tangible assets of the Company comprise buildings and construction, investment property, vehicles, equipment and construction in progress. Depreciation is calculated on straight-line method to write off the cost of tangible assets to their residual values over their estimated useful lives which vary according to a tangible assets group. Tangible assets decreased by 1.03 percent from LTL 3 034 241 to 3 002 952 in 2011 and by 2.03 percent to LTL 2 941 863 in 2012. Table 2 provides a detailed overview of the changes.

In 2011, the Company purchased tangible assets worth LTL 739 721 whereas depreciation within the year amounted LTL 544 215. Investment property additions constituted the largest part of asset additions; the Company purchased commercial premises for LTL 380 000. Regarding disposal of assets, the Company sold administrative premises in Šiauliai, the acquisition cost of which was LTL 321 376 and accumulated depreciation LTL 94 627. Tangible assets whose acquisition cost and accumulated depreciation amounted LTL 114 406 and LTL 114 360 respectively were written off. The Company usually writes off assets when their residual value equals one, meaning that 46 assets were written off in 2011. Tangible assets whose acquisition cost was LTL 21 628 and accumulated depreciation LTL 97 721 were reclassified from investment property to buildings and construction.

In 2012, asset additions within the year equalled LTL 404 070 whereas depreciation within the year amounted LTL 458 153. The Company disposed assets whose acquisition cost and accumulated depreciation amounted LTL 78 566 and LTL 71 734 respectively. Acquisition cost of written off assets equalled LTL 103 595 and accumulated depreciation of these assets amounted LTL 103 421. Alarm system equipment was written off at the residual value of LTL 100, whereas all the rest 74 items were written off at the residual value of LTL 1.

In Litas	Buildings and construction	Investment property	Vehicles	Equipment	Construction in progress	Total
ACQUISITION COST						
31 December 2010	**4 156 608**	**258 004**	**606 943**	**1 055 067**	**-**	**6 076 622**
Asset additions within 2011	-	380 000	42 500	186 765	130 456	739 721
Disposal of assets	(321 376)	-	-	-	-	(321 376)
Written off assets	-	-	(44 610)	(69 796)	-	(114 406)
Reclassification of assets	21 628	(21 628)	-	-	-	-
31 December 2011	**3 856 860**	**616 376**	**604 833**	**1 172 036**	**130 456**	**6 380 561**
Asset additions within 2012	-	-	53 886	139 744	210 440	404 070
Disposal of assets	-	-	(78 566)	-	-	(78 566)
Written off assets	-	-	-	(103 595)	-	(103 595)
31 December 2012	**3 856 860**	**616 376**	**580 153**	**1 208 185**	**340 896**	**6 602 470**
DEPRECIATION						
31 December 2010	**1 520 162**	**170 570**	**494 566**	**857 083**	**-**	**3 042 381**
Depreciation within 2011	344 781	17 014	72 426	109 994	-	544 215
Disposal of assets	(94 627)	-	-	-	-	(94 627)
Written off assets	-	-	(44 607)	(69 753)	-	(114 360)
Reclassification of assets	91 721	(91 721)	-	-		-
31 December 2011	**1 862 037**	**95 863**	**522 385**	**897 324**	**-**	**3 377 609**
Depreciation within 2012	313 608	7 786	17 741	119 018	-	458 153
Disposal of assets	-	-	(71 734)	-	-	(71 734)
Written off assets	-	-	-	(103 421)	-	(103 421)
31 December 2012	**2 175 645**	**103 649**	**468 392**	**912 921**	**-**	**3 660 607**
NET BOOK VALUE						
31 December 2012	**1 681 215**	**512 727**	**111 761**	**295 264**	**340 896**	**2 941 863**
31 December 2011	**1 994 823**	**520 513**	**82 448**	**274 712**	**130 456**	**3 002 952**
31 December 2010	**2 636 446**	**87 434**	**112 377**	**197 984**	**-**	**3 034 241**

Table 2: Tangible assets

Regarding financial assets, the Company invested LTL 9 888 in its subsidiary in Riga in 2012. There were no investments made in previous years.

Other non-current assets increased by 141.60 percent from LTL 19 728 to LTL 47 662 in 2011 and stayed constant in 2012. The Company made more deposits for long-term rent in 2011.

Current assets increased by 15.84 percent in 2011 and decreased by 0.11 percent in 2012. Current assets comprise inventories, prepayments and contracts in progress, amounts receivable within one year, other current assets, and cash and cash equivalents which all reflect changes in current assets.

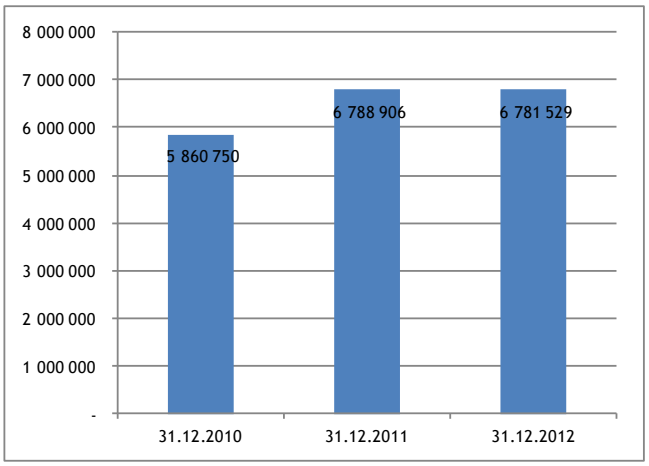

Figure 2: Current assets

Inventories, which constitute the largest part of current assets, increased by 12.93 percent from LTL 3 686 427 to LTL 4 162 938 in 2011 and by 8.39 percent to LTL 4 512 239 in 2012. More inventory was acquired each year because the Company expected sales would continue growing.

Prepayments equalled LTL 365 917 in 2010, decreased by 29.86 percent to LTL 256 651 in 2011 and increased by 17.90 percent to LTL 302 587 in 2012. The Company makes payments in advance for suppliers in China. There were more purchases from China at the end of 2010 and 2012.

Trade debtors increased from year to year and were the second largest part of current assets. They equalled LTL 1 200 358 in 2010, increased by 11.19 percent to LTL 1 334 696 in 2011 and by 3.71 percent to LTL 1 384 210 in 2012. Increase in trade debtors is directly related to increase in sales.

Amounts receivable from the subsidiary amounted LTL 411 622 in 2010, decreased by 15.25 percent to LTL 348 831 in 2011 and by 60.42 percent to LTL 138 077 in 2012. The amount in 2010 was so high because the Company had agreed with the subsidiary on a longer payment period, up to 6 months. In 2011 and 2012 the financial position of the subsidiary got better, thus it paid for the goods faster. However, there is a risk that tax institutions may recognize longstanding amounts receivable as financing, in which case interest would be calculated.

Cash and cash equivalents comprise cash on hand and current bank accounts, the latter one constituting the bigger part. Cash and cash equivalents increased by 277.76 percent from LTL 179 670 to LTL 678 713 in 2011 and decreased to by 36.56 percent to LTL 430 572 in 2012. The increase in 2011 was so sharp because the Company did not return the credit line as it was supposed to; it needed cash in circulation to buy inventory.

Equity increased by 4.16 percent in 2011 and by 19.20 percent in 2012. Equity consists of registered share capital, legal reserve and retained earnings. The registered share capital of the Company did not change over the years and equaled LTL 170 000. It is divided into 1 000 ordinary registered shares with the par value of LTL 170 each. Legal reserve stayed constant too, only retained earnings grew.

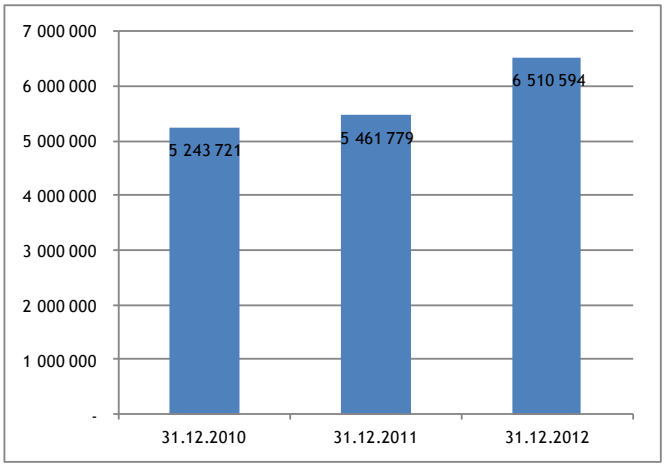

Figure 3: Equity

The structure of retained earnings can be seen in the graph below. Retained earnings grew as the Company earned profit each year. 2012 was the best year in terms of profit earned. Dividends were also paid each year, but the amounts were smaller than profit earned. In 2010, the Company paid LTL 218 800 of dividends. Payments of dividends in 2011 and 2012 can be read from the graph below. In 2011, the retained earnings would have been LTL 5 051 433 if the Company had not paid any dividends to the shareholders. However, the retained earnings

in 2011 were only 4 662 433. The difference between these numbers (LTL 389 thousand) is the dividends paid. Correspondingly, the dividends paid in 2012 equalled LTL 240 thousand.

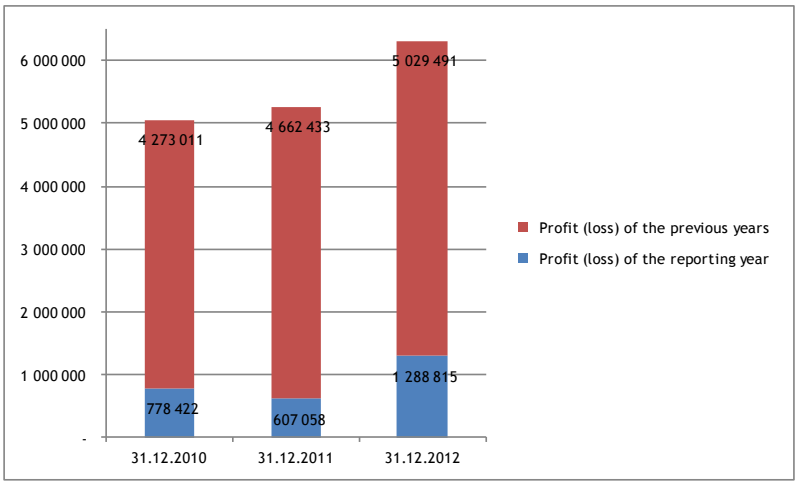

Figure 4: Retained earnings

Amounts payable and liabilities equaled LTL 3 689 569 in 2010, increased by 18.96 percent in 2011 and decreased by 25.17 percent in 2012. Amount payable and liabilities consist of financial debts, trade amount payable, received prepayments, income tax liabilities, liabilities related to employment relations and other amounts payable and current liabilities which all contributed to the above mentioned changes.

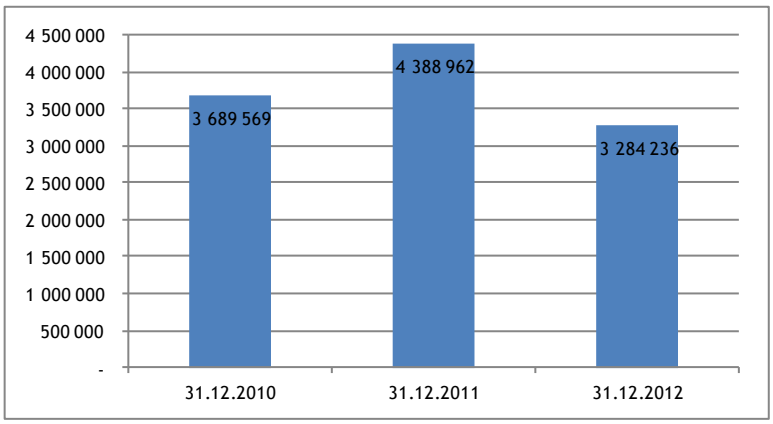

Figure 5: Amounts payable and liabilities

Financial debts equalled LTL 1 163 521 in 2010, increased by 21.38 percent to LTL 1 412 299 in 2011 and decreased by 78.46 percent in LTL 304 170 in 2012. Table 3 below provides details on financial debts. Long-term financial debts and current portion of long-term debts have not been separated in the table.

Loans	Loan origina-tion date	Loan maturity date	Loan value at the end of 2010	Loan re-ceived during 2011	Loan repay-ment during 2011	Loan value at the end of 2011	Loan re-ceived during 2012	Loan repayment during 2012	Loan value at the end of 2012
Loan, AB Swedbank	23.11.2004	23.11.2014	198 121	-	50 963	147 158	-	50 963	96 195
Loan, AB Swedbank	19.12.2005	19.12.2012	580 020	-	294 179	285 841	-	285 841	-
Leasing, UAB Swedbank lizingas	02.05.2007	30.05.2012	31 752	-	22 163	9 589	-	9 589	-
Leasing, AB SEB lizingas	16.04.2007	10.03.2015	153 628	-	-	-	-	-	-
Loan, AB Swedbank	17.05.2011	17.05.2016	-	280 000	10 289	269 711	-	61 736	207 975
Credit line, AB Swedbank	31.08.2007	09.08.2011, extended to 24.05.2012	200 000	500 000	-	700 000	-	700 000	-
Total			1 163 521	780 000	377 594	1 412 299	-	1 108 129	304 170

Table 3: Financial debts

Long-term financial debts amounted LTL 963 521 in 2010, decreased to LTL 712 299 in 2011 and to LTL 304 170 in 2012. Long-term financial debts decreased because loan repayments exceeded loans received. In 2010 the Company had two loans from AB Swedbank and two leasings, one from UAB Swedbank lizingas and the other from AB SEB lizingas. In 2011, the Company took another loan from AB Swedbank of LTL 280 thousand to buy a building. It made loan repayments of LTL 377 594 and cancelled the agreement with SEB leasing because the building was sold to another person. In 2012, the Company did not receive any loans, only made repayments of LTL 408 129. One loan and Swedbank leasing were totally repaid.

Current financial debts comprise the credit line from AB Swedbank. It equaled LTL 200 thousand in 2010, LTL 700 thousand in 2011 and LTL 0 in 2012. LTL 200 thousand were supposed to be repaid in 2011 but the Company was lacking money in circulation and extended the loan maturity date. It additionally took LTL 500 thousand in 2011. The whole amount (LTL 700 thousand) was repaid in 2012.

Trade amounts payable increased by 14.54 percent from LTL 1 442 483 to LTL 1 652 165 in 2011 and by 0.82 percent to LTL 1 665 731 in 2012. Increase in trade amounts payable is related to increase in sales. The more the Company sells, the more inventory it purchases.

Received prepayments increased by 45.81 percent from LTL 77 763 to LTL 113 387 in 2011 and decreased by 56.26 percent to LTL 49 594 in 2012. There were more sales with condition of prepayment at the end of 2011. Sales with condition of prepayment are made when selling bigger quantities or when selling to riskier buyers with whom the Company had problems in the past, as protection against non-payment.

Income tax liabilities decreased by 59.47 percent in 2011 and increased by 515.88 percent in 2012. Income tax liabilities equal income tax (calculated after the end of the year) minus advance income tax (paid during the year). Table 4 indicates the amounts of income tax, advance income tax as well as income tax liabilities for each year. Income tax liability was much higher in 2012 because the Company paid less advance income tax. In 2012, advance income tax constituted only 62 percent of income tax, whereas in 2010 and 2011 it made up 77 and 88 percent respectively.

	2010	2011	2012
Income tax	142 798	110 039	217 212
- Advance income tax	109 704	96 627	134 610
= Income tax liabilities	33 094	13 412	82 602

Table 4: Income tax

Liabilities related to employment relations increased by 24.23 percent from LTL 520 231 to LTL 646 272 in 2011 and decreased by 0.25 percent to LTL 644 678 in 2012. The average number of employees rose each year (in 2012, 86 people on average were employed, in 2011 – 78 and in 2010 -71), thus liabities related to employment relations increased.

Other amounts payable and current liabilities increased by 21.87 percent from LTL 452 477 to LTL 551 427 in 2011 and decreased by 2.53 percent to LTL 537 461 in 2012. The biggest part of other amounts payable is VAT to be paid.

3.1.2 Horizontal analysis of income statement

The Company succeeded in increasing its sales revenue from LTL 19 520 013 to LTL 23 549 781 in 2011 and to LTL 27 385 229 in 2012 registering an increase of 20.64 percent and 16.29 percent in 2011 and 2012 respectively. Sales revenue increased mostly because of exports; the Company got new clients in Latvia, Estonia, Kaliningrad Region and Belarus. Moreover, the subsidiary of the Company was growing fast which is the main buyer of the Company.

As can be seen in the graph below, the end of the year is the best in terms of sales. At the end of the year the Company usually has more discount offers to increase sales.

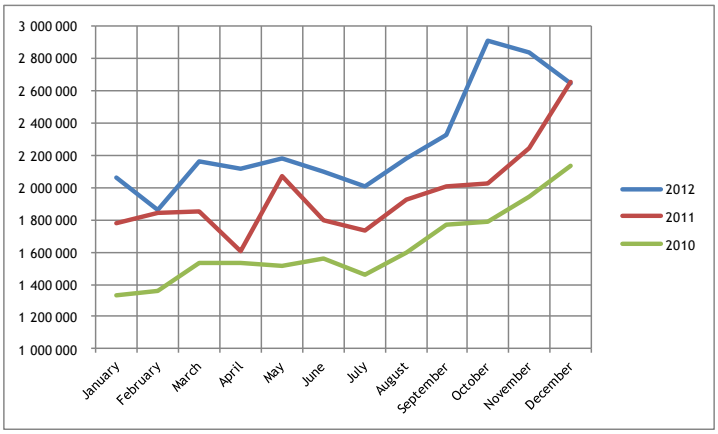

Figure 6: Revenue monthly

Cost of goods sold increased from LTL 12 558 792 to LTL 15 502 110 in 2011 and to LTL 18 295 952 in 2012 accounting for an increase of 23.44 percent and 18.02 percent in 2011 and 2012 respectively. Sales revenue and COS normally move in the same direction. However, the rate of increase in cost of goods sold was higher than the rate of increase in sales revenue. This was due to increase in prices because smaller quantities were purchased and competition in the market increased. Moreover, the Company sells goods to the subsidiary, its main buyer, with smaller margin. As can be seen in table 5 below, in 2012 the Company sold goods to the subsidiary with 8 percent margin whereas the overall margin was 33 percent. According to the Company, it applies lower margin to the subsidiary in order to allow it grow faster. When it does, margins will be corrected. However, there is a risk that tax institutions may recognize these transactions as transactions made not by market prices and accordingly additional income tax and value added tax may be calculated.

	To the subsidiary	Overall
Sales revenue	1 887 113	27 385 229
COGS	1 742 635	18 295 952
Gross profit, LTL	144 478	9 089 277
Gross profit, %	8%	33%

Table 5: Gross margin

As can be seen in the graph below, the cost of goods sold were the highest at the end of each year. The pattern is related to sales.

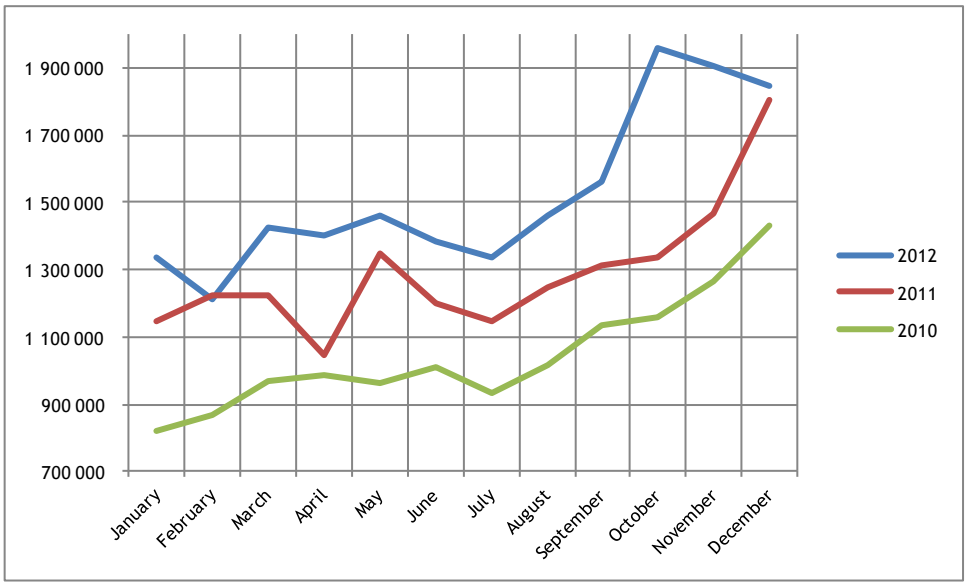

Figure 7: Cost of goods sold monthly

Gross profit increased by 15.61 percent from LTL 6 961 221 in 2010 to LTL 8 047 671 in 2011 and by 12.94 percent to LTL 9 089 277 in 2012. Gross profit increased due to increase in sales but not as much as sales due to larger growth of cost of goods sold.

Operating expenses increased by 20.96 percent from LTL 5 951 620 to LTL 7 199 168 in 2011 and by 4.47 percent to LTL 7 520 989 in 2012. Operating expenses were increasing mostly due to increase in payroll expenses and rent of premises and utilities expenses. As mentioned before, the Company hired new employees each year. Regarding rent of premises and utilities expenses, in 2010 the Company rented premises in Klaipėda and Kaunas, in 2011 it started renting premises in Vilnius, in 2012 – in Šiauliai.

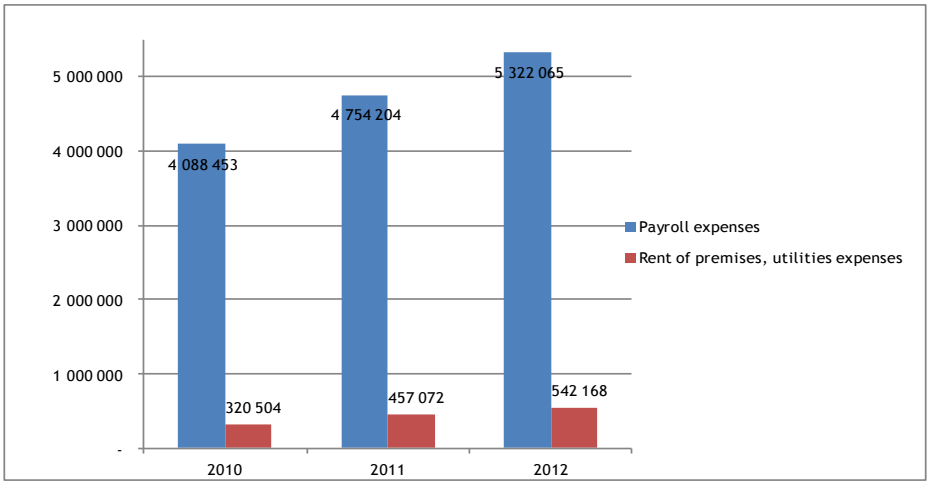

Figure 8: Payroll and rent and utilities expenses

Operating profit decreased by 15.96 percent in 2011 and rose by 84.83 percent in 2012. Due to large increase of operating expenses in 2011, operating profit decreased. In 2012, the Company managed to take better control of its operating expenses, thus it recorded a sharp increase of operating profit.

Other activities decreased by 386.04 percent from LTL -9 208 to LTL -44 755 in 2011 and increased by 112.74 percent to LTL 5 704 in 2012. The Company leases premises in Kaunas and revenue from renting premises constituted the largest part of other activities revenue. In 2010 it equaled LTL 9 568, in 2011 LTL 10 708, in 2012 LTL 6 588. Depreciation of assets for rent constitutes the largest part of expenses of other activities. It 2010 it equaled LTL 15 220, in 2011 LTL 17 014, in 2012 LTL 7 786. Additionally, in 2011 the Company had expenses of LTL 42 371 from selling non-current assets. In 2012, it had revenue of LTL 5 163 from selling non-current assets.

Financing and investing activities decreased by 9.45 percent from LTL -79 173 to LTL -86 651 in 2011 and increased by 21.56 to LTL -67 965 in 2012. In 2010 the Company made interest revenue of LTL 53, in 2012 LTL 9 888, whereas in 2011 the Company made no revenue. Expenses equalled LTL 79 226 in 2010, LTL 86 651 in 2011 and LTL 77 853 in 2012. Interest expenses constituted the largest part.

Profit from ordinary activities decreased by 22.16 percent in 2011 and increased by 110.02 percent in 2012. Other activities as well as financing and investing activities did not have much influence on the result of profit from ordinary activities as the amounts were comparatively small. The trend for profit from ordinary activities and operating profit is the same because it is operating expenses that had most influence on both of the results.

Companies in Lithuania are subject to a corporate income tax rate of 15 percent. Income tax equalled LTL 142 798 in 2010, decreased by 22.94% in 2011 to LTL 110 039 and increased by 97.40% percent to LTL 217 212 in 2012. The amount of income tax is directly related to profit before tax. As profit before tax of the Company decreased in 2011 and then increased in 2012, so did income tax. The calculation of income tax for 2012 is shown below.

Profit before tax	LTL 1 506 027
+ Non allowable deductions	LTL 173 421
- Limited allowable deductions	LTL 221 479
- Non taxable income	LTL 9 888
= Taxable profit	LTL 1 448 081
15 % income tax	LTL 217 212

Net profit equaled LTL 778 422 in 2010, decreased to LTL 607 058 in 2011 and increased to LTL 1 288 815 in 2012. Many factors lead to decrease of net profit in 2011. The growth of cost of goods sold and operating expenses was greater than increase of sales revenue. Moreover, other activities as well as financing and investing activities decreased, only income tax declined. As a result, net profit decreased by 22.01 percent in 2011. Regarding 2012, cost of goods sold increased more than sales revenue. However, the Company recorded a much better result regarding operating expenses which was the main reason for net profit to rise by even 112.31 percent in 2012.

3.2 Vertical analysis

Vertical analysis is used to show relationships of the various items contained in a financial statement of one accounting period. For the balance sheet, each asset is stated as a percentage of total assets, and each liability and equity item is expressed as a percentage of total liabilities and equity. For the income statement, each item is calculated in relation to sales revenue (Pinson 2008, 102). Vertical analysis is useful in comparing the performance of several companies in the same industry (Gopal 2009, 181).

3.2.1 Vertical analysis of the balance sheet

Vertical analysis of the balance sheet shows that current assets constitute bigger part of total assets than non-current assets, indicating a great deal of liquidity. Current assets increased from 66 percent to 69 percent in 2011 and stayed constant in 2012. Non-current assets decreased proportionally in 2011. The increase of current assets in 2011 was mostly influenced by increase in cash.

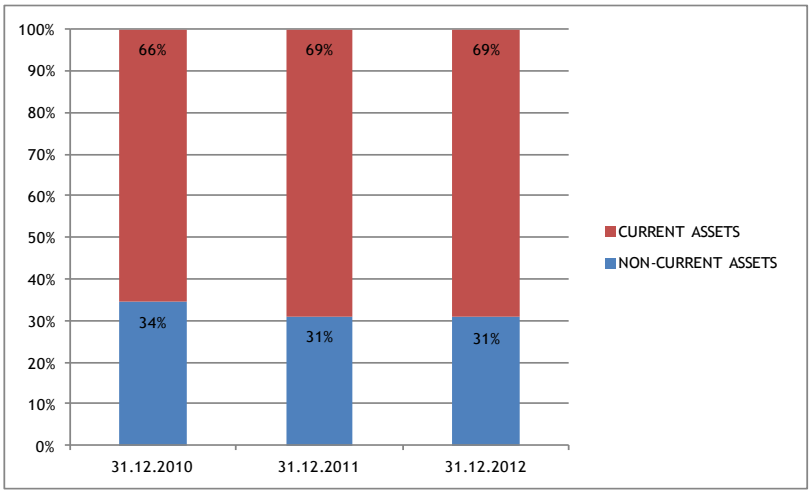

Figure 9: Structure of assets

Tangible assets were the most significant item in the structure of non-current assets. Tangible assets comprised 99 percent of non-current assets in 2010, decreased by 1 percent and constituted 98 percent in 2011 and 2012. Buildings and construction were the most significant item of tangible assets and constituted 86 percent of non-current asets in 2010, 65 percent in 2011 and 56 percent in 2012. It decreased due to increase in investment property, equipment and construction in progress.

Figure 10 shows that equity constituted 59 percent, 55 percent and 66 percent of the Company's capital in 2010, 2011 and 2012 respectively which suggests a healthy capital structure. Amounts payable and liabilities accordingly constituted 42 percent in 2010, 45 percent in 2011 and 34 percent in 2012 of the Company's capital.

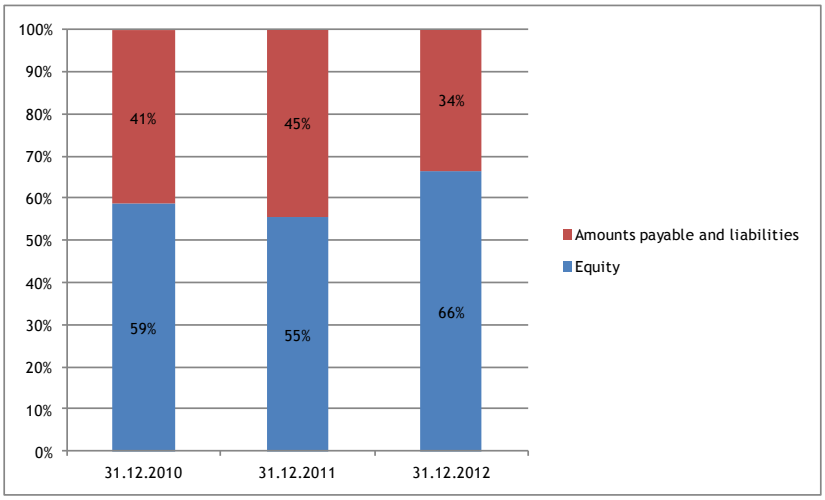

Figure 10: Capital structure

Most of the Company's equity is retained earnings (96 percent in 2010 and 2011, 97 percent in 2012), which is a sign of a strong company because most of the equity is internally generated rather than through sale of shares. Trade amounts payable, the most significant item of amounts payable and liabilities, were 39 percent of amounts payable and liabilities in 2010, 38 percent in 2011 and 51 percent in 2012.

3.2.2 Vertical analysis of the income statement

Cost of goods sold equaled 64.34 percent of sales revenue in 2010, 65.83 percent in 2011 and 66.81 percent in 2012. Cost of goods sold as a percentage of sales increased because the prices of inventory increased due to fiercer competition in the market and purchasing of smaller

quantities. Gross profit accordingly decreased: from 35.66 percent in 2010 to 34.17 percent in 2011 and to 33.19 percent in 2012.

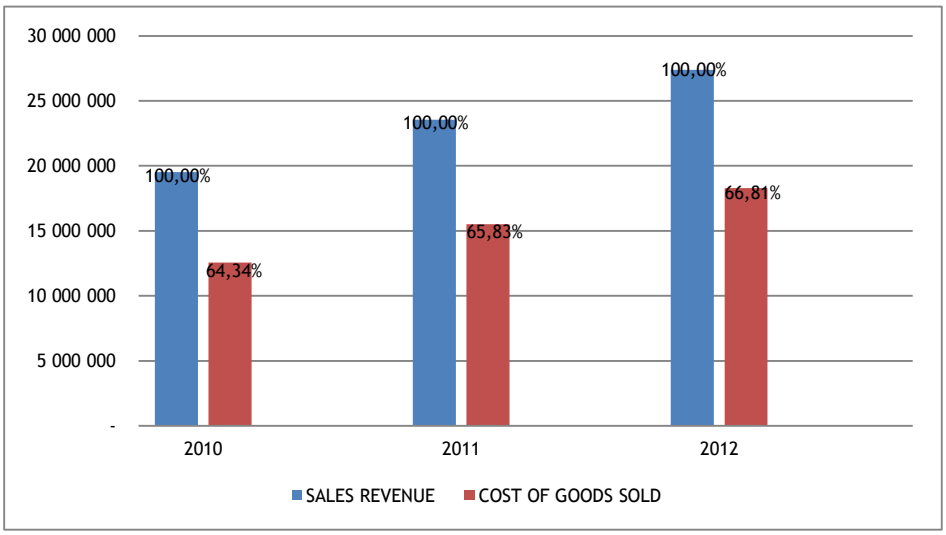

Figure 11: Cost of goods sold

Operating expenses represented 30.49 percent of sales revenue in 2010, 30.57 percent in 2011 and 27.46 percent in 2012. The change in 2011 was insignificant whereas in 2012 the Company demonstrated better control over its operating expenses and decreased the percentage of operating expenses as a percentage of sales revenue.

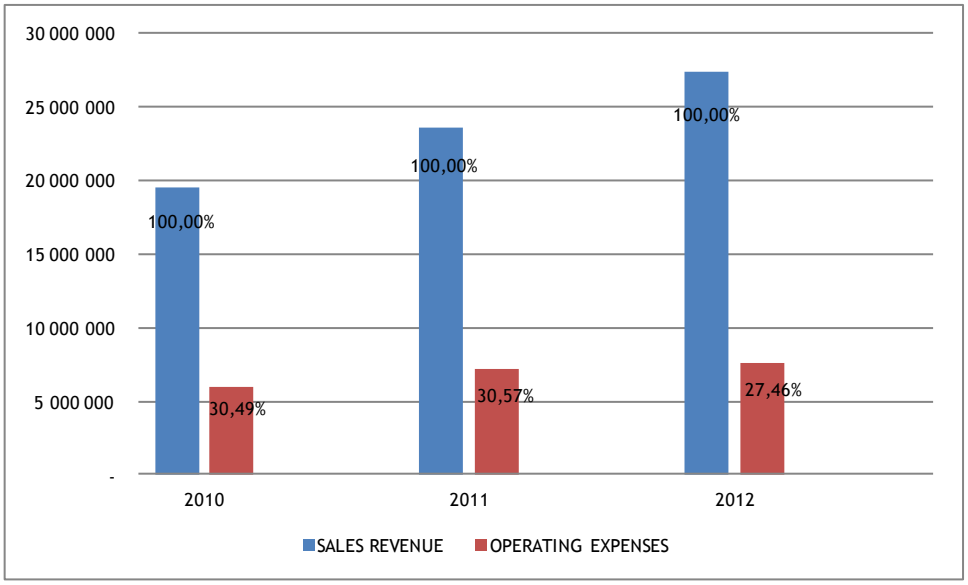

Figure 12: Operating expenses

	2010	% of sales revenue	2011	% of sales revenue	2012	% of sales revenue
Goods delivery expenses	112 613	0.58%	122 738	0.52%	149 665	0.55%
Advertising expenses	35 924	0.18%	40 660	0.17%	21 281	0.08%
Selling expenses	**148 537**	0.76%	**163 398**	0.69%	**170 946**	0.62%
Payroll expenses	4 088 453	20.94%	4 754 204	20.19%	5 322 065	19.43%
Amortization and depreciation expenses	593 289	3.04%	540 219	2.29%	458 545	1.67%
Rent, utilities expenses	320 504	1.64%	457 072	1.94%	542 168	1.98%
Car exploitation, repair, fuel expenses	117 473	0.60%	209 034	0.89%	166 805	0.61%
Office equipment and supplies expenses	105 611	0.54%	225 822	0.96%	101 008	0.37%
Communication expenses	102 175	0.52%	108 588	0.46%	101 927	0.37%
Taxes	82 848	0.42%	68 699	0.29%	71 437	0.26%
Bank expenses	82 257	0.42%	88 493	0.38%	109 191	0.40%
Personnel related expenses and other services	75 945	0.39%	105 572	0.45%	88 392	0.32%
Office, equipment maintenance expenses	58 902	0.30%	91 853	0.39%	149 882	0.55%
Representation expenses	22 213	0.11%	45 886	0.19%	34 126	0.12%
Donations	42 500	0.22%	119 950	0.51%	85 300	0.31%
Bonuses	-		45 000	0.19%	-	
Fees to auditing companies	12 500	0.06%	13 500	0.06%	14 000	0.05%
Other expenses	98 413	0.50%	161 878	0.69%	105 197	0.38%
General and administrative expenses	**5 803 083**	29.73%	**7 035 770**	29.88%	**7 350 043**	26.84%
Operating expenses in total	**5 951 620**	30.49%	**7 199 168**	30.57%	**7 520 989**	27.46%

Table 6: Structure of operating expenses

The decrease of operating expenses was mostly influenced by the decrease of payroll expenses which constituted 20.94 percent in 2010, 20.19 percent in 2011 and 19.43 percent in 2012 of sales revenue. The average monthly salary for an employee increased each year: from LTL 4 799 in 2010 to LTL 5 079 in 2011 and LTL 5 157 in 2012. Thus, the decrease of operating expenses as percentage of sales revenue was not because of the decrease of salaries but because the employees became more efficient and generated more sales revenue than before. On average one employee generated LTL 274 930 in 2010, LTL 301 920 in 2011 and LTL 318 433 in 2012 of sales revenue. The other significant item which influenced the decrease of operating expenses as percentage of sales revenue was amortization and depreciation expenses. They decreased from 3.04 percent in 2010, to 2.29 percent in 2011 and 1.67 percent in 2012 of sales revenue.

Operating profit constituted 5.17 percent in 2010, 3.60 percent in 2011 and 5.73 percent in 2012. The performance in 2011 was the poorest because, as mentioned before, the prices of

inventory increased and operating expenses as a percentage of sales revenue stayed almost the same. In 2012, on the other hand, net profit as a percentage of sales revenue increased despite increase in the prices of inventory because the Company demonstrated better control over operating expenses compared to the previous two years.

Other activities as well as financing and investing activities are insignificant in vertical analysis as they constitute very small percentages.

Income tax equaled 0.73 percent of sales revenue in 2010, 0.47 percent in 2011 and 0.79 percent in 2012. On the bottom line, the Company's net profit was 3.99 percent of sales revenue in 2010, 2.58 percent in 2011 and 4.71 percent in 2012. Operating expenses were the main factor of changes in net profit.

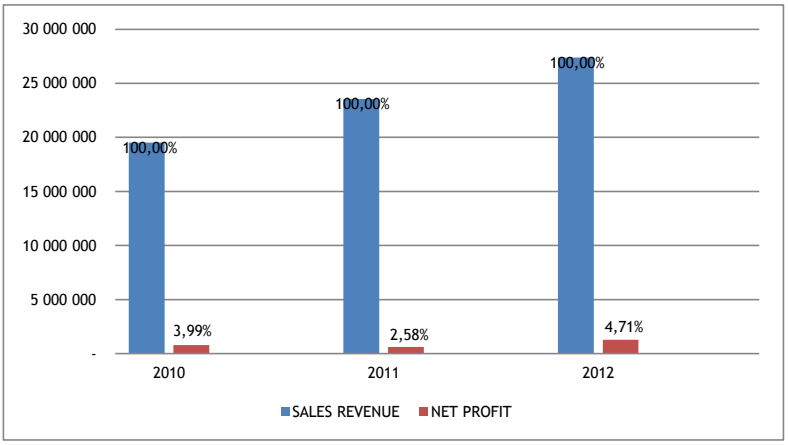

Figure 13: Net profit

3.3 Ratio analysis

Ratio analysis is an expression of one number in relation to another. Ratios have the ability to normalize information, allowing for comparisons among different size companies (Haber 2004, 143). Ratios are helpful in identifying problems areas of a company. They lead way for further investigations and reasonable conclusions.

A single ratio may by itself give some ideas about the company. However, for proper analysis ratios should be compared with prior ratios of the company and the ratios of the industry's average (Gopal 2009, 192). The Company is engaged in wholesale and retail trade. As most of sales revenue comes from wholesale trade, ratios will be compared to wholesale industry's average.

Ratios can be classified into four categories: activity ratios, liquidity ratios, leverage ratios and profitability ratios.

3.3.1 Activity ratios

Activity ratios measure a company's efficiency in utilizing its assets. The better the management of assets, the more a company makes sales and the higher the profit (Bary 2010, 136).

3.3.1.1 Inventory turnover ratio

Inventory turnover ratio = $\frac{Cost\ of\ goods\ sold}{Average\ inventory}$

Inventory turnover ratio is a test of inventory management. There is no standard ratio. The ratio depends upon the nature of business. Every firm has to maintain certain level of inventory to carry on the business without interruption and loss of business opportunities (Bary 2010, 138).

The Company's inventory turnover ratio indicates that it took on average 95.21 days in 2010, 92.41 days in 2011 and 86.53 days in 2012 to turn inventory into accounts receivable through sales. Although the days were decreasing from year to year, the result is quite poor compared to the industry's average. As can be seen in figure 14 below, the industry's average was 42.64 days in 2010, 37.94 days in 2011 and 35.44 days in 2012 which is more than two times less than the Company's (Business statistics 2013). High inventory turnover in days points to overstocking and obsolescence.

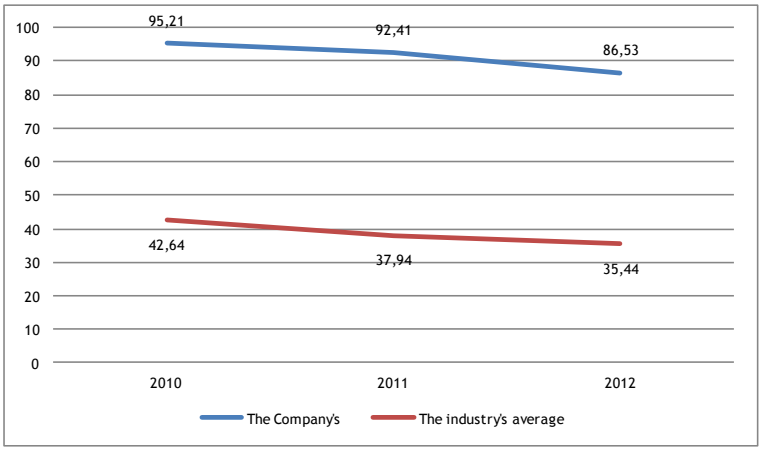

Figure 14: Inventory turnover in days

The Company had inventory which did not move for more than a year worth LTL 433 051 in 2010, LTL 429 515 in 2011 and LTL 494 570 in 2012. That is, old inventory constituted 12 percent of inventory in 2010 and 2011, and 11 percent in 2012. The management of the Company had no other option but to discount these goods by 30 percent. As a result, the selling price of these goods got lower than the acquisition cost and the Company could not avoid losses. Such a huge portion of old inventory is a sign of poor management forecasts of demand or/and poor inventory management.

3.3.1.2 Accounts receivable turnover ratio

$$\text{Accounts receivable turnover ratio} = \frac{\textit{Sales revenue}}{\textit{Average accounts receivable}}$$

Accounts receivable turnover ratio shows the speed of debtors' collection. A short collection period indicates the efficiency of credit management. On the other hand, a too short collection period is not favourable as well as a long collection period (Bary 2010, 137-138).

Accounts receivable turnover indicates that it took on average 18.61 days in 2010, 19.65 in 2011 and 18.12 days in 2012 for the Company to convert receivables into cash. Compared to the industry's average, the Company can be considered fast in realization of trade debtors. The industry's average collection period was 65.41 days in 2010, 62.61 days in 2011 and 55.64 days in 2012 which is more than three times longer than the Company's result (Business statistics 2013).

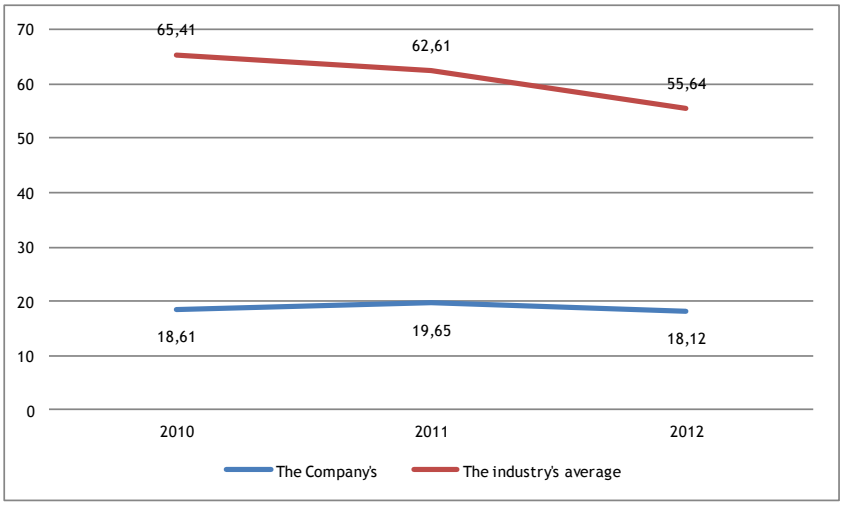

Figure 15: Accounts receivable turnover in days

The aging schedule provides the detailed break up of debtors, according to the time they were overdue. At the end of 2011, 21.9 percent of debtors had not paid in time. The rest of debtors (78.1 percent) were outstanding but not overdue. 2.4 percent of debtors (debtors which were late more than 360 days) were recognized as bad debts and written off because these debts could not be collected and all reasonable efforts to collect them were exhausted. At the end of 2012, the situation was worse as 28.7 percent of debtors were overdue. This is an increase of 6.8 percent compared to 2011. The rest of debtors (71.3 percent) were outstanding but not overdue. Bad debts decreased by 0.4 percent compared to 2011 and equaled to 2 percent of debtors.

Overdue period in days	Debtors	% of total
0	1 096 555	78.1%
1-190	247 734	17.7%
191-270	8 463	0.6%
271-360	16 192	1.2%
360 and more	34 247	2.4%
Total	1 403 191	100.0%

Table 7: Overdue debtors in 2011

Overdue period in days	Debtors	% of total
0	1 026 836	71.3%
1-190	375 304	26.0%
191-270	7 167	0.5%
271-360	3 271	0.2%
360 and more	28 368	2.0%
Total	1 440 946	100.0%

Table 8: Overdue debtors in 2012

2.4 percent and 2 percent seems to be a reasonable amount of bad debts. There is no necessity for the Company to review credit administration and selection of customers to whom goods are to be sold on credit in the future. If the Company extended credit only to those customers whose creditworthiness is beyond doubt so that there would be total certainty of payment with no bad debts, it would miss opportunities to gain more sales and improve profitability even after providing for the losses towards bad debts.

3.3.1.3 Accounts payable turnover ratio

$$\text{Accounts payable turnover ratio} = \frac{\textit{Cost of goods sold}}{\textit{Average accounts payable}}$$

Accounts payable turnover ratio indicates that creditors were outstanding for payment for 37.54 days in 2010, 36.43 days in 2011 and 33.10 days in 2012. The Lithuanian Department of Statistics has not published the results of the industry's average for accounts payable.

The Company's overdue accounts payable equaled LTL 117 410 at the end of 2012, which accounted for 7.0 percent of accounts payable, and LTL 52 595 in 2011, which accounted for 3.2 percent of accounts payable. The Company's default in payments increased in 2012 compared to 2011 by 3.8 percent but still remained relatively low.

3.3.1.4 Total assets turnover ratio

Total assets turnover ratio = $\frac{Sales\ revenue}{Total\ assets}$

Total assets turnover ratio indicates how efficient a company is at using its assets to generate sales. It measures the amount of Litas of sales revenue generated by one Litas of the Company's assets. The Company's total asset turnover ratio was increasing over time: it equaled 2.19 in 2010, 2.39 in 2011 and 2.80 in 2012. It means that for every Litas of the Company's assets, the Company generated sales of LTL 2.19 in 2010, 2.39 in 2011 and 2.80 in 2012. In comparison to the industry's average, which was 1.93 in 2010, 2.1 in 2011 and 2.43 in 2012, the Company can be said to be effective at using its assets as it generated more sales than the industry's average (Business statistics 2013).

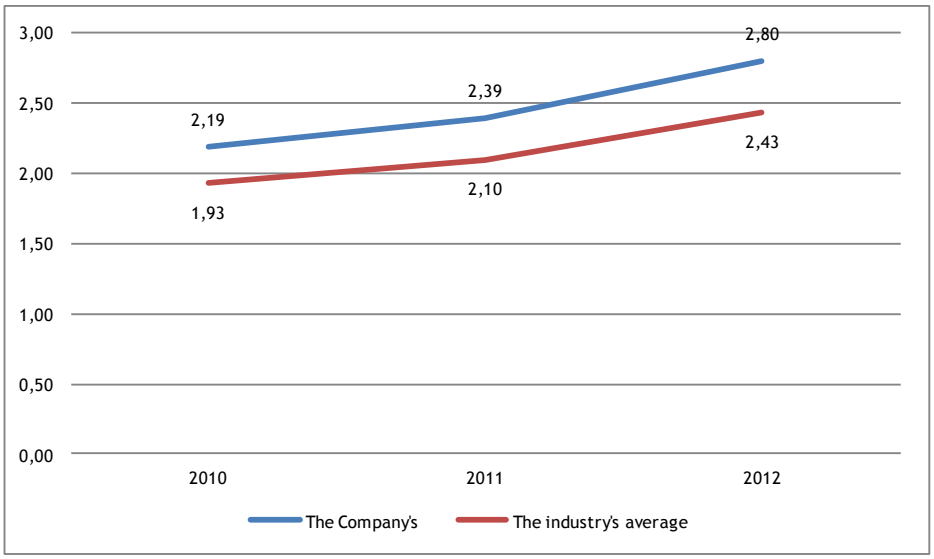

Figure 16: Total assets turnover

3.3.2 Liquidity ratios

Liquidity ratios are used to assess if a company has financial strength to meet its current obligations. If a company is not able to meet its current obligations, it is likely to have difficulties meeting its long-term obligations (Bary 2010, 139).

3.3.2.1 Current ratio

$$\text{Current ratio} = \frac{\textit{Current assets}}{\textit{Current liabilities}}$$

The current ratio of the Company equaled 1.87 in 2010, dropped to 1.66 in 2011 and reached 2.19 in 2012. Based on the assessment that the standard ratio is 2, the Company should have had difficulties meeting its current obligations in 2010 and 2011. However, conclusions should not be drawn with a single ratio as companies with ratio of less than 2 may be meeting current liabilities without difficulties and companies with ratio of more than 2 may be struggling. The industry's average was 1.49 in 2010, 1.48 in 2011 and 1.57 in 2012 which suggests that the Company should not experience any difficulties in making payments (Business statistics 2013).

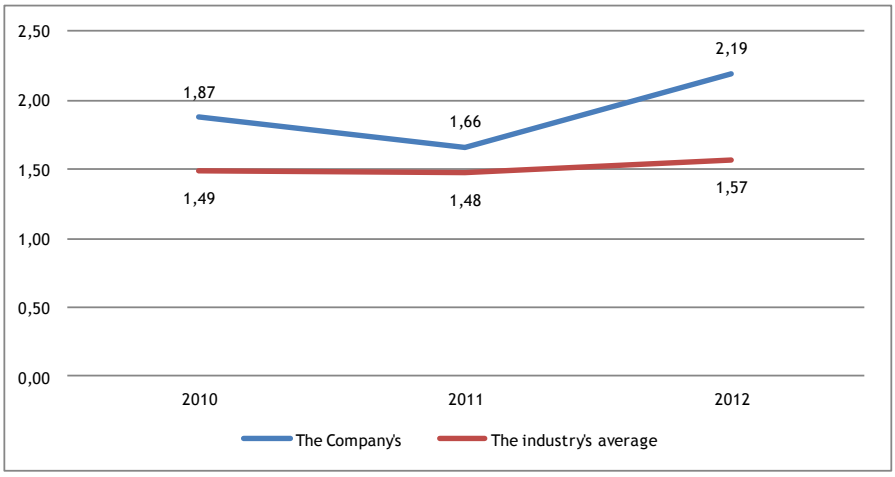

Figure 17: Current ratio

However, the composition and quality of current assets should be verified too before making any conclusions about the Company's liquidity. The above analysis indicated that the Company collected its debtors speedily and most of the debtors were realized within the standard period allowed. However, the Company did not manage the inventory efficiently. Due to old inventory, the Company had losses. Therefore, the Company should be considered entirely reliable to meet the current obligations with current assets.

3.3.2.2 Quick ratio

Quick ratio = $\frac{Current\ assets - Inventory}{Current\ liabilities}$

When calculating quick ratio, inventory is excluded from current assets. Inventory is considered less liquid as it requires time for realising into cash and has a tendency to fluctuate in value at the time of realization. The quick ratio of the Company equaled 0.70 in 2010, 0.64 in 2011 and 0.73 in 2012. A ratio of 1 is the usual standard, which suggests that the Company should have problems meeting its current obligations with its most liquid assets. Comparison to the industry's average confirms it. The Company's result was poorer compared to the industry's average: 0.94 in 2010 and 2011 and 0.96 in 2012 (Business statistics 2013).

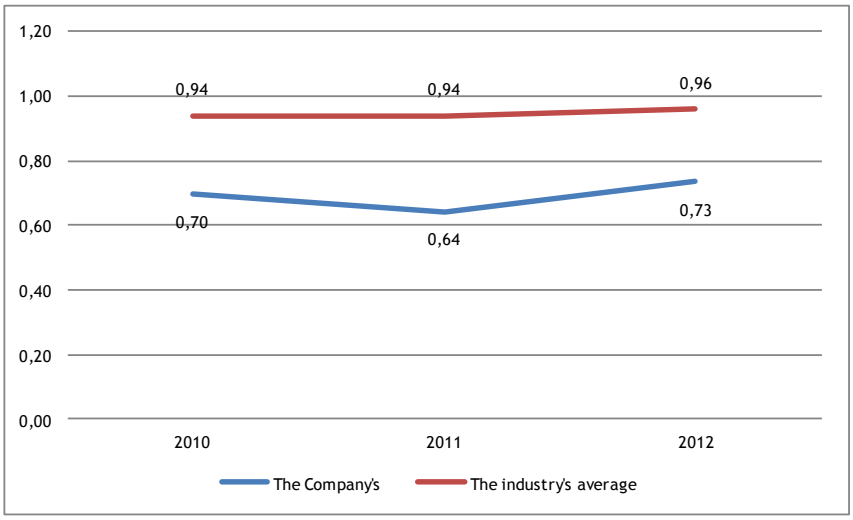

Figure 18: Quick ratio

The fact that the Company's current ratio was above the industry's average whereas quick ratio was below indicates the problem with excessive inventory.

3.3.3 Leverage ratios

Leverage ratios show the proportion of debt and equity in financing a company's assets. These ratios indicate the long-term solvency of a company.

3.3.3.1 Total debt ratio

Total debt ratio = $\frac{Total\ debt}{Total\ assets}$

Assets of a company are financed by debt and equity. Total debt ratio shows the proportion of total assets financed by debt. The remaining assets are financed by equity. Debt is more risky to the firm compared to equity. Whether a company makes profit or not, interest on debt has to be paid. If interest and installment are not paid, there may be a threat to the solvency of a company. Moreover, companies with high total debt ratio experience greater difficulty in raising funds without paying higher interest because the financial risk to creditors is high. Lenders demand a higher interest rate as compensation for assuming higher risk and impose stringent conditions. On the other hand, a low ratio indicates that a company may be missing the available opportunities to improve profitability. Debt can be advantageous to the shareholders when a company is able to earn more on borrowed funds than the interest rate. As a conclusion, there should be a balanced proportion of debt and equity (Accounting for managers, 206).

The Company's debt ratio indicates that 41 percent in 2010, 45 percent in 2011 and 34 percent in 2012 of its total assets were financed by creditors. Accordingly, 59 percent in 2010, 55 percent in 2011 and 64 percent in 2012 of the Company's assets were financed by the stockholders. The industry's debt ratio average was 60 percent in 2010, 61 percent in 2011 and 58 percent in 2012 which suggests that the Company's capital structure is healthy (Business statistics 2013). The Company is not highly leveraged and is not in a risk of becoming insolvent.

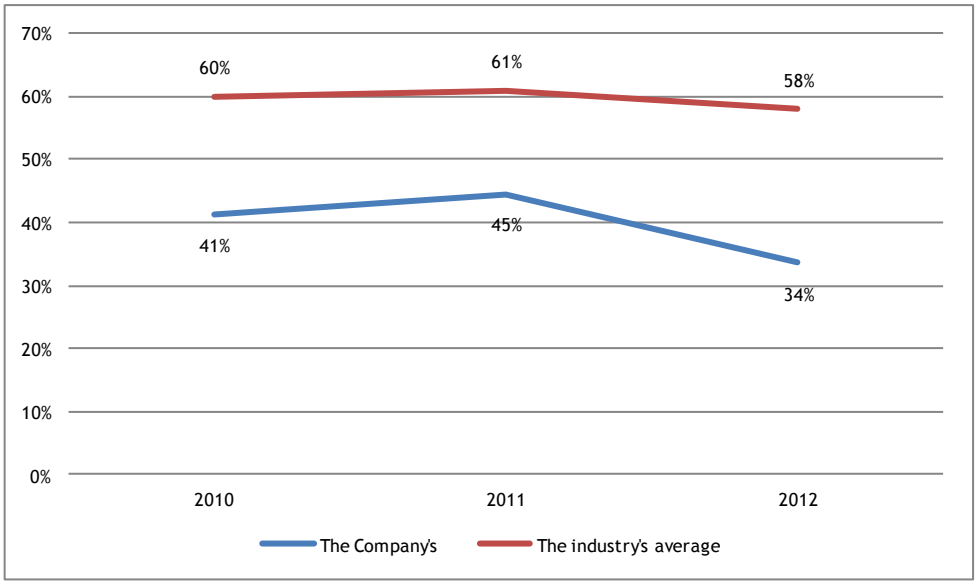

Figure 19: Debt ratio

3.3.4 Profitability ratios

Profitability ratios measure the earning capacity of a company. These ratios are used to evaluate the extent to which invested funds are being used efficiently.

3.3.4.1 Net profit ratio

Net profit ratio = $\frac{Net\ profit}{Sales\ revenue}\ x\ 100$

Net profit ratio is a measure of overall profitability. Generally a net profit ratio of 10 percent is considered excellent, though it depends on the industry. Net profit ratio of the Company equaled 3.99 percent in 2010, 2.58 percent in 2011 and 4.71 percent in 2012. The wholesale industry's average was 2.32 both in 2010 and 2011 and 2.52 percent in 2012 (Business statistics 2013). A higher than the industry's net profit margin indicates that the Company was exercising good cost control and pricing its products correctly.

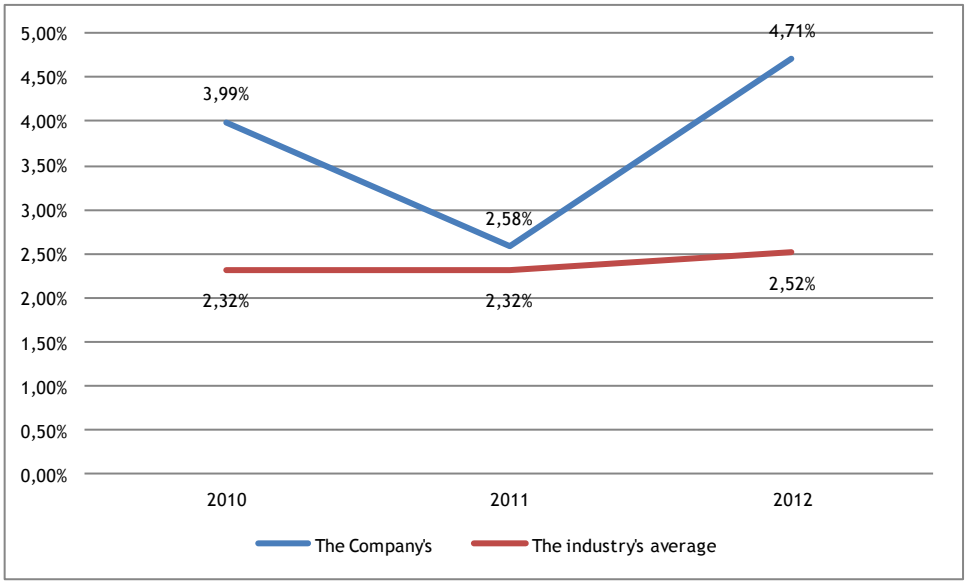

Figure 20: Net profit

3.3.5 Gross profit ratio

Gross profit ratio = $\frac{Gross\ profit}{Sales\ revenue}\ x\ 100$

The Company achieved a gross profit ratio of 35.66 percent in 2010, 34.17 percent in 2011 and 33.19 percent in 2012. The industry's average was only 16.13 percent in 2010, 14.62 percent in 2011 and 13.55 in 2012 (Business statistics 2013). A high gross profit ratio achieved by the Company compared to the industry's average indicates that the Company can operate at relatively lower costs. High gross profit ratio is a sign of good management.

3.3.5.1 Return on assets

Return on assets (ROA) = $\frac{Net\ profit}{Total\ assets} x100$

Return on assets shows the efficiency of management at using assets to generate earnings. The higher the return on assets, the better it is because a company is earning more money on less investment. The Company's return on assets equaled 8.71 percent in 2010, 6.16 percent in 2011 and 13.16 percent in 2012. The industry's return on assets average was 5.37 percent in 2010, 5.91 percent in 2011 and 7.19 percent in 2012 (Business statistics 2013). Based on this, the Company was better at converting its investment into profit than most of the companies in the industry.

3.3.6 Return on equity

Return on equity (ROE) = $\frac{Net\ profit}{Total\ equity} x100$

Return on equity shows how well a company employs its equity to generate profit. The ratio between 15 percent and 20 percent is generally considered good. The Company's return on equity equaled 14.84 percent in 2010, decreased to 11.11 percent in 2011 and reached 19.80 percent in 2012. The industry's average was 11.37 percent in 2010, 12.74 percent in 2011 and 14.83 percent in 2012 (Business statistics 2013). The Company generated more profit with the money shareholders have invested compared to the industry's average.

4 Inventory

The analysis of the Company's financial statements revealed that the biggest problem the Company has is inefficient realization of inventory. A considerable portion of the Company's inventory is obsolete. The obsolete inventory turnover (the value of inventory items that have not been sold for at least a year divided by the value of total inventory) equaled 12 percent in 2010 and 2011, and 11 percent in 2012. The management of the Company confirmed that it has problems with inventory.

Inventory is current asset that is owned by a company and has specific purpose of being sold. The composition of inventory depends on a type of business. According to the 9th Business Accounting Standard (Business accounting standards 2013), inventory can be grouped into four main categories: raw materials and components, work in progress, finished goods and goods for resale.

The 9th Business Accounting Standard also establishes how inventory should be recorded in accounting and presented in financial statements. On initial recognition inventory is recorded at the cost of purchase and for the purposes of financial statements it is measured at the cost of purchase or net realisable value, whichever is lower. Inventories are either used within a financial year to generate revenue and are turned into cost of goods sold, or appear in the balance sheet as not used assets.

4.1 Inventory management

Inventory is usually the largest current asset for companies engaged in manufacturing, wholesale and retail trade. The investment in inventory is very high and therefore it is necessary to give proper attention to inventory management.

Inadequate control of inventory can result in both inventory excess and shortage. If a company carries excessive inventory, it unnecessarily ties up working capital that it could use more productively in other areas. High level of inventory also reduces profitability of a company through additional warehousing, insurance, depreciation and taxes. Moreover, a company risks obsolescence. On the contrary, if a company's inventory level is low, it may not be able to fulfill customer orders, and consequently lose sales. Shortages can also cause customer dissatisfaction which may result in permanent loss of customers and future sales. When demand is internal, shortages can cause production stoppages. For these reasons, it is important to adjust inventory to an optimal level. The objective of inventory management is to determine what to purchase, how much to purchase, from where to purchase as well as where to store.

4.1.1 Inventory management in the Company

The purchasing department of the Company consists of five people. Purchasing manager guides the rest of the group. Each person in the group works with different item groups and is in contact with particular suppliers. Each supplier is contacted by only one employee of the Company to avoid misunderstandings.

The Company uses periodic inventory review system. Under this system, inventory levels are reviewed at fixed time intervals, usually weekly, and orders are placed for enough quantity to bring the inventory back to desired inventory level. The Company uses inventory management software which is connected to the Company's accounting software. Based on the historical data, inventory management software suggests how much inventory of each item the Company should carry. Nevertheless, the employees in the purchasing department have to exercise their judgment regarding how much to order and when to order. They sometimes have to ignore the software's recommendations to meet unique circumstances of the inventory situation. The Company's inventory management software has an early warning system that alerts when inventory levels fall low. After quantities of items to be ordered are decided, each employee puts the order of his item groups to the Company's server. From the server orders are sent to suppliers by email. In case the Company represents a supplier in Lithuania, orders are put to the supplier's electronic system.

4.1.2 Reasons behind the issue

The discussion with the management of the Company revealed that there are a few reasons behind the problem of obsolete inventory which will be discussed further.

4.1.2.1 Inaccurate forecasts

Forecasting is critical to determining purchasing needs. Inventory is ordered based on the estimates of what customers are going to buy and these estimates are usually incorrect to some extent, resulting in the purchase of too much or not enough inventory (Viale 1996,29).

The Company uses historical results to predict future sales and purchasing needs. It also takes into account its future plans such as entering Estonia and expanding in Latvia which are expected to increase sales and purchasing needs. However, as revealed per analysis, in many cases the Company was too optimistic about the future and purchased more items than were demanded.

4.1.2.2 Minimum order quantities

The amount of goods delivered by suppliers may vary significantly from a company's needs. Suppliers usually accept minimum order sizes in order for the transaction to be profitable for them. Many of the Company's suppliers impose minimum order quantities that often exceed the Company's immediate needs. Thus, the Company often ordered too many items and increased inventory levels.

4.1.2.3 Quantity discounts

With most suppliers, discount increases as volume increases. As a result, items are purchased in greater quantities than are needed in order to reduce per unit cost. The Company tends to purchase large amounts of inventory to take advantage of price discounts. However, this approach is not always cost saving. It is a big investment and a considerable holding cost.

4.1.2.4 Variety of items

The Company offers a large number of items to meet broad customer demand. Variety is the competitive advantage of the Company. There is no other company in the Baltic States with such an enormous range of offerings. The competitors specialize in certain item groups and cannot offer such a wide variety of items as the Company. Only a small portion of all the items offered by the Company generate most of the profit, the rest requires large inventory holding costs in return for minimal sales volume. Nevertheless, variety pays off in a way that it separates the Company from others and brings in new customers.

4.1.2.5 FIFO method

The FIFO method is an asset management and valuation method which assumes that the items of inventories that were purchased or produced first are sold or used first, and consequently the items remaining in inventories at the end of the period are those most recently purchased or produced. The auditors of the Company have performed a test to see if the Company uses the FIFO method for its inventory. They concluded that the Company uses the FIFO method only at the store level, but not at the Company level. Therefore, the oldest items of the Company are not necessarily sold first.

4.2 XYZ analysis

In bigger businesses such as the Company the number of items to be purchased and then to be taken care of is large. It is not rational to allocate time equally to each item. Thus, selective inventory control technique should be used. Selective inventory control means that the method of inventory control varies from item to item (Bhat 2009, 159).

XYZ analysis is a classification system for inventory items which allows controls to be established for each class. It determines which items should be monitored most closely. The idea is to focus on few items with the highest value and not the many trivial ones. Class X items typically represent only about 10 percent of items stored but account for about 70 percent of the total inventory value. These items need very strict control, extra care is required. Class Y

items account for another approximately 20 percent of items stored but only about 20 percent of the total inventory value. These items cannot be overlooked but need less attention than those in class X. Finally, the remaining approximately 70 percent of the items stored fall in class Z, representing about 10 percent of the total inventory value. These items need the least attention (Bhat 2009, 163).

Since the main objective of inventory control is to reduce costs, the XYZ analysis is useful in the sense that it is enough to focus on about 10 percent of the total items in inventory in order to affect reduction in about 70 percent of the total value of stored inventory.

XYZ analysis has been performed using the lists of obsolete inventory for the years 2010-2012 to find out on which few items the Company should focus in the future to considerably reduce the value of obsolete inventory. The lists of obsolete inventory revealed that there were 226 items in 2010, 245 items in 2011 and 246 items in 2012 that were not sold for a year or more. Even though the number of obsolete items increased in 2011 and decreased in 2012, the value of obsolete inventory changed conversely. It decreased from LTL 433 051 to LTL 429 515 in 2011 and rose to LTL 494 571 in 2012.

The performed analysis showed that percentages indicated before do not apply for the Company. In the lists of obsolete inventory there are a few items in very large quantities and small values per unit due to which different percentages are arrived at. However, the analysis still revealed on what items the Company should focus in the future.

In 2010, 17 items accounted for 7.04 percent of obsolete items stored but even 51.02 percent of the total obsolete inventory value. In 2011, 21 items accounted for 5.80 percent of obsolete items stored but even 51.46 percent of the total obsolete inventory value. In 2012, 30 items accounted for 7.19 percent of obsolete items stored but even 60.52 percent of the total obsolete inventory value. These items are X class items which should get most of the attention in the Company. By concentrating on less than 10 percent of obsolete items the Company could reduce more than 50 percent of obsolete inventory value.

Some of X class items repeated all the three years and it is mostly likely that they will appear in the list of obsolete inventory next year. Thus, the Company should pay priority attention to these items. Table 9 below lists the items that were in the lists in 2010, 2011 and 2012.

Integrated circuits
Lights for discos
Industry type power supplies
Video cameras, video capturing boards
Cables
Cables for security systems, phones
Power supplies with DIN mounting
Fixed power supplies
Power supplies with true sine wave
Coil type relays

Table 9: X-class items found in the lists in 2010, 2011 and 2012

There were X class items that repeated two of the three years. Items that were in the lists of obsolete inventory in 2011 and 2012 are not as likely to be obsolete next year as items that were in the list all the three years but they need considerable attention too.

Power supplies for LEDs
Industry type power supplies
Switches rockers
Industry type open frame power supplies

Table 10: X-class items found in the list in 2011 and 2012

X class items found in the lists of obsolete inventory in 2010 and 2012 do not show very consistent pattern but should receive much attention too.

Solder alloy
Power supplies for PCs

Table 11: X-class items found in the list in 2010 and 2012

X class items that were in the lists of obsolete inventory in 2010 and 2011 need less attention than above mentioned items because the Company managed to take care of these items in 2012 but they should not be forgotten either.

Voltage stabilizers, regulators
LED strips, modules and controllers
Osciloscopes
High-voltage transformers

Table 12: X-class items found in the list in 2010 and 2011

There were X class items that appeared in the lists only one year. There is not a big probability that items that were in the list only in 2010 or 2011 will be obsolete in 2013. It seems that the Company learnt to manage these items. Bigger care should be taken of items that were in the list only in 2012 because the pattern of these items is unknown yet.

LED 5 mm type

Table 13: X-class items found in the list only in 2010

Electric metering devices and controls
Stand-alone solar inverter power supplies
Items from FARNELL catalogue

Table 14: X-class items found in the list only in 2011

Soldering irons
Variable power supplies
Ultrasonic cleaners
Solar and wind power supplies
Ordered items
Power supplies with modified sine wave
Measurement instruments FLUKE, AMPROBE
Cylinder type batteries
Multimeters
Universal power supplies
Soldering iron tips
Fluxes and soldering pastes
Push button switches
Soldering pots

Table 15: X-class items found in the list only in 2012

4.3 Recommendations

Not only the Company should concentrate on X class items to reduce obsolete inventory value but it should also address the reasons why obsolete inventory appeared in the first place.

To reduce forecasting error, the Company should attempt to gain direct access to the inventory planning systems of its key customers. This way the Company would have information about what it, in turn, needs to order from its suppliers, and would reduce obsolete inventory levels.

As for minimum order quantities, the Company may be able to negotiate for smaller delivery quantities, so that smaller quantities are delivered more frequently. This concept could work well because most the Company's suppliers deliver numerous items and can still make the same number of delivery runs – just with smaller quantities of more items in each delivery.

Regarding discounts, the Company should evaluate the trade-off between the amount of discount and possibly high inventory holding costs.

The Company should introduce a system which ensures that the oldest items are sold first, thus avoiding inventory obsolescence. It is already implemented at the store level but the Company should implement FIFO system at company level.

High value items with uncertain demand levels should not be stored in a central warehouse in Kaunas. It is difficult to forecast how much of these items to stock in each distribution warehouse and avoid frequent stock outs or the expense of an excessive inventory investment. If the Company kept such items in a central warehouse it could use overnight delivery services to take them to customers as needed. By doing so, the Company could keep lower quantities than would have been maintained in the regional warehouses. The cost of overnight delivery services is usually minor compared to the saved inventory investment. The Company should conduct a survey of customers to determine how much of a fulfillment delay they are willing to accept, if overnight delivery is acceptable to them (Bragg 2010, 211).

Moreover, the Company could start using drop shipping. Under this system, when the Company received an order from a customer and would have to order those items from a supplier, the supplier could take the order directly to the customer. In a traditional distribution system, which is used by the Company at the moment, inventory arrives from suppliers, is stored in a company warehouse and delivered when ordered by customers. A company is funding the inventory for as long as it sits in the warehouse, waiting for a customer order. By introducing drop shipping, the Company could save money on the cost of holding inventory.

Imported items have to be stocked because it takes a long lead time for procurement. However, the Company could attempt to obtain guarantees of suppliers that are located nearby to deliver orders within 24 hours. This approach would work especially well for items that are not used frequently and whose use can be accurately forecasted a day or two in advance. If suppliers can deliver within such a short time period, then the company can reduce its safety stock to a minor amount or eliminate it entirely. Of course, this approach means that suppliers must store extra inventory at their locations, so there is a risk of being charged a fee to compensate them for their extra working capital investment or for a rush delivery.

5 Conclusion

The overall position of the Company can be considered solid as per analysis. The Company grew steadily while still maintaining profitability. The growth of the Company is evidenced by the increases in sales revenue, personnel and total assets. The Company was profitable and more than doubled its net profit in 2012 due to better control over its operating expenses. The high earning capacity of the Company is also proved by its net profit, gross profit, return on assets and equity ratios, which are all higher than the industry's average. As a result of raising profits, the retained earnings of the Company continually grew and the Company maintained a healthy capital structure.

The Company appears to be quite efficient at utilizing its assets as suggested by accounts receivable turnover and total assets turnover ratios which are higher than the industry's average. However, the Company is inefficient in realizing its inventories as revealed by poor inventory turnover ratio. The liquidity position of the Company also seems moderate since its current ratio is higher than the industry's average but the quick ratio is lower and less than the standard ratio of 1. A poor quick ratio is influenced by excessive inventory.

The reasons why the Company carried excessive inventory are erroneous forecasts, minimum order quantities accepted by suppliers, a tendency to purchase more aiming to benefit from quantity discounts and unapplied FIFO method at company level. By focusing on X class items, the Company could considerably reduce the existing obsolete inventory value. Several suggestions that the Company could follow in order to avoid inventory issues in the future include obtaining access to its key customers inventory planning systems so that it could plan purchasing accordingly, introducing the FIFO method at company level, storing items with uncertain demand in a central warehouse, negotiating with its suppliers on delivery within 24 hours and introducing drop shipping.

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Figures

Tables

Appendices

Appendix 1: Horizontal analysis of income statement

	2010	2011	2012	2010-2011		2011-2012	
				Lt	%	Lt	%
SALES REVENUE	**19 520 013**	**23 549 781**	**27 385 229**	**4 029 768**	**20,64%**	**3 835 448**	**16,29%**
COST OF GOODS SOLD	**12 558 792**	**15 502 110**	**18 295 952**	**2 943 318**	**23,44%**	**2 793 842**	**18,02%**
GROSS PROFIT (LOSS)	**6 961 221**	**8 047 671**	**9 089 277**	**1 086 450**	**15,61%**	**1 041 606**	**12,94%**
OPERATING EXPENSES	**5 951 620**	**7 199 168**	**7 520 989**	**1 247 548**	**20,96%**	**321 821**	**4,47%**
Selling	148 537	163 398	170 946	14 861	10,00%	7 548	4,62%
General and administrative	5 803 083	7 035 770	7 350 043	1 232 687	21,24%	314 273	4,47%
OPERATING PROFIT (LOSS)	**1 009 601**	**848 503**	**1 568 288**	**(161 098)**	**-15,96%**	**719 785**	**84,83%**
OTHER ACTIVITIES	**(9 208)**	**(44 755)**	**5 704**	**(35 547)**	**386,04%**	**50 459**	**-112,74%**
Income	10 034	14 631	13 490	4 597	45,81%	(1 141)	-7,80%
Expenses	19 242	59 386	7 786	40 144	208,63%	(51 600)	-86,89%
FINANCING AND INVESTING ACTIVITIES	**(79 173)**	**(86 651)**	**(67 965)**	**(7 478)**	**9,45%**	**18 686**	**-21,56%**
Income	53	-	9 888	(53)	-100,00%	9 888	
Expenses	79 226	86 651	77 853	7 425	9,37%	(8 798)	-10,15%
PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**921 220**	**717 097**	**1 506 027**	**(204 123)**	**-22,16%**	**788 930**	**110,02%**
EXTRAORDINARY GAINS	**-**	**-**	**-**	-		-	
EXTRAORDINARY LOSSES	**-**	**-**	**-**	-		-	
PROFIT (LOSS) BEFORE TAX	**921 220**	**717 097**	**1 506 027**	**(204 123)**	**-22,16%**	**788 930**	**110,02%**
INCOME TAX	**142 798**	**110 039**	**217 212**	**(32 759)**	**-22,94%**	**107 173**	**97,40%**
NET PROFIT (LOSS)	**778 422**	**607 058**	**1 288 815**	**(171 364)**	**-22,01%**	**681 757**	**112,31%**

Appendix 2: Horizontal analysis of balance sheet

	31.12.2010	31.12.2011	31.12.2012	31.12.2010-31.12.2011		31.12.2011-31.12.2012	
				LTL	%	LTL	%
NON-CURRENT ASSETS	**3 072 540**	**3 061 835**	**3 013 301**	**(10 705)**	**-0.35%**	**(48 534)**	**-1.59%**
INTANGIBLE ASSETS	18 571	11 221	13 888	(7 350)	-39.58%	2 667	23.77%
Computer software	18 571	11 221	13 888	(7 350)	-39.58%	2 667	23.77%
TANGIBLE ASSETS	3 034 241	3 002 952	2 941 863	(31 289)	-1.03%	(61 089)	-2.03%
Buildings and construction	2 636 446	1 994 823	1 681 215	(641 623)	-24.34%	(313 608)	-15.72%
Vehicles	112 377	82 448	111 761	(29 929)	-26.63%	29 313	35.55%
Equipment	197 984	274 712	295 264	76 728	38.75%	20 552	7.48%
Construction in progress	-	130 456	340 896	130 456	-	210 440	161.31%
Investment property	87 434	520 513	512 727	433 079	495.32%	(7 786)	-1.50%
Buildings	87 434	520 513	512 727	433 079	495.32%	(7 786)	-1.50%
FINANCIAL ASSETS	-	-	9 888	-	-	9 888	-
Investments in subsidiaries and associates	-	-	9 888	-	-	9 888	-
OTHER NON-CURRENT ASSETS	19 728	47 662	47 662	27 934	141.60%	-	0.00%
Other non-current assets	19 728	47 662	47 662	27 934	141.60%	-	0.00%
CURRENT ASSETS	**5 860 750**	**6 788 906**	**6 781 529**	**928 156**	**15.84%**	**(7 377)**	**-0.11%**
INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	4 052 344	4 419 589	4 814 826	367 245	9.06%	395 237	8.94%
Inventories	3 686 427	4 162 938	4 512 239	476 511	12.93%	349 301	8.39%
Raw materials and components	988	995	1 166	7	0.71%	171	17.19%
Goods for resale	3 685 439	4 161 943	4 511 073	476 504	12.93%	349 130	8.39%
Prepayments	365 917	256 651	302 587	(109 266)	-29.86%	45 936	17.90%
AMOUNTS RECEIVABLE WITHIN ONE YEAR	1 628 736	1 690 604	1 536 131	61 868	3.80%	(154 473)	-9.14%
Trade debtors	1 200 358	1 334 696	1 384 210	134 338	11.19%	49 514	3.71%
Amounts receivable from subsidiaries and associates	411 622	348 831	138 077	(62 791)	-15.25%	(210 754)	-60.42%
Other amounts receivable	16 756	7 077	13 844	(9 679)	-57.76%	6 767	95.62%
OTHER CURRENT ASSETS	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS	179 670	678 713	430 572	499 043	277.76%	(248 141)	-36.56%
TOTAL ASSETS	**8 933 290**	**9 850 741**	**9 794 830**	**917 451**	**10.27%**	**(55 911)**	**-0.57%**

Appendix 2

	31.12.2010	31.12.2011	31.12.2012	31.12.2010-31.12.2011		31.12.2011-31.12.2012	
				LTL	%	LTL	%
EQUITY	**5 243 721**	**5 461 779**	**6 510 594**	**218 058**	**4.16%**	**1 048 815**	**19.20%**
CAPITAL	170 000	170 000	170 000	-	0.00%	-	0.00%
Authorised (subscribed)	170 000	170 000	170 000	-	0.00%	-	0.00%
REVALUATION RESERVE (RESULTS)	-	-	-	-	-	-	-
RESERVES	22 288	22 288	22 288	-	0.00%	-	0.00%
Legal reserve	22 288	22 288	22 288	-	0.00%	-	0.00%
RETAINED EARNINGS (LOSSES)	5 051 433	5 269 491	6 318 306	218 058	4.32%	1 048 815	19.90%
Profit (loss) of the reporting year	778 422	607 058	1 288 815	(171 364)	-22.01%	681 757	112.31%
Profit (loss) of the previous years	4 273 011	4 662 433	5 029 491	389 422	9.11%	367 058	7.87%
GRANTS AND SUBSIDIES	**-**	**-**	**-**	-	-	-	-
AMOUNTS PAYABLE AND LIABILITIES	**3 689 569**	**4 388 962**	**3 284 236**	**699 393**	**18.96%**	**(1 104 726)**	**-25.17%**
NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	561 907	304 170	191 470	(257 737)	-45.87%	(112 700)	-37.05%
Financial debts	561 907	304 170	191 470	(257 737)	-45.87%	(112 700)	-37.05%
Leases and similar liabilities	128 909	-	-	(128 909)	-100.00%	-	-
To credit institutions	432 998	304 170	191 470	(128 828)	-29.75%	(112 700)	-37.05%
CURRENT AMOUNTS PAYABLE AND LIABILITIES	3 127 662	4 084 792	3 092 766	957 130	30.60%	(992 026)	-24.29%
Current portion of long-term debts	401 614	408 129	112 700	6 515	1.62%	(295 429)	-72.39%
Financial debts	200 000	700 000	-	500 000	250.00%	(700 000)	-100.00%
To credit institutions	200 000	700 000	-	500 000	250.00%	(700 000)	-100.00%
Trade amounts payable	1 442 483	1 652 165	1 665 731	209 682	14.54%	13 566	0.82%
Received prepayments	77 763	113 387	49 594	35 624	45.81%	(63 793)	-56.26%
Income tax liabilities	33 094	13 412	82 602	(19 682)	-59.47%	69 190	515.88%
Liabilities related to employment relations	520 231	646 272	644 678	126 041	24.23%	(1 594)	-0.25%
Other amounts payable and current liabilities	452 477	551 427	537 461	98 950	21.87%	(13 966)	-2.53%
TOTAL EQUITY AND LIABILITIES	**8 933 290**	**9 850 741**	**9 794 830**	**917 451**	**10.27%**	**(55 911)**	**-0.57%**

Appendix 3: Vertical analysis of income statement

	2010		2011		2012	
SALES REVENUE	**19 520 013**	**100,00%**	**23 549 781**	**100,00%**	**27 385 229**	**100,00%**
COST OF GOODS SOLD	**12 558 792**	**64,34%**	**15 502 110**	**65,83%**	**18 295 952**	**66,81%**
GROSS PROFIT (LOSS)	**6 961 221**	**35,66%**	**8 047 671**	**34,17%**	**9 089 277**	**33,19%**
OPERATING EXPENSES	**5 951 620**	**30,49%**	**7 199 168**	**30,57%**	**7 520 989**	**27,46%**
Selling	148 537	0,76%	163 398	0,69%	170 946	0,62%
General and administrative	5 803 083	29,73%	7 035 770	29,88%	7 350 043	26,84%
OPERATING PROFIT (LOSS)	**1 009 601**	**5,17%**	**848 503**	**3,60%**	**1 568 288**	**5,73%**
OTHER ACTIVITIES	**(9 208)**	**-0,05%**	**(44 755)**	**-0,19%**	**5 704**	**0,02%**
Income	10 034	0,05%	14 631	0,06%	13 490	0,05%
Expenses	19 242	0,10%	59 386	0,25%	7 786	0,03%
FINANCING AND INVESTING ACTIVITIES	**(79 173)**	**-0,41%**	**(86 651)**	**-0,37%**	**(67 965)**	**-0,25%**
Income	53	0,00%	-	0,00%	9 888	0,04%
Expenses	79 226	0,41%	86 651	0,37%	77 853	0,28%
PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**921 220**	**4,72%**	**717 097**	**3,05%**	**1 506 027**	**5,50%**
EXTRAORDINARY GAINS	**-**	**0,00%**	**-**	**0,00%**	**-**	**0,00%**
EXTRAORDINARY LOSSES	**-**	**0,00%**	**-**	**0,00%**	**-**	**0,00%**
PROFIT (LOSS) BEFORE TAX	**921 220**	**4,72%**	**717 097**	**3,05%**	**1 506 027**	**5,50%**
INCOME TAX	**142 798**	**0,73%**	**110 039**	**0,47%**	**217 212**	**0,79%**
NET PROFIT (LOSS)	**778 422**	**3,99%**	**607 058**	**2,58%**	**1 288 815**	**4,71%**

Appendix 4: Vertical analysis of balance sheet

	31.12.2010	Overall	Sectional	31.12.2011	Overall	Sectional	31.12.2012	Overall	Sectional
NON-CURRENT ASSETS	**3 072 540**	34%	**100%**	**3 061 835**	31%	**100%**	**3 013 301**	31%	**100%**
INTANGIBLE ASSETS	18 571	0%	1%	11 221	0%	0%	13 888	0%	0%
Computer software	18 571	0%	1%	11 221	0%	0%	13 888	0%	0%
TANGIBLE ASSETS	3 034 241	34%	99%	3 002 952	30%	98%	2 941 863	30%	98%
Buildings and construction	2 636 446	30%	86%	1 994 823	20%	65%	1 681 215	17%	56%
Vehicles	112 377	1%	4%	82 448	1%	3%	111 761	1%	4%
Equipment	197 984	2%	6%	274 712	3%	9%	295 264	3%	10%
Construction in progress	-	0%	0%	130 456	1%	4%	340 896	3%	11%
Investment property	87 434	1%	3%	520 513	5%	17%	512 727	5%	17%
Buildings	87 434	1%	3%	520 513	5%	17%	512 727	5%	17%
FINANCIAL ASSETS	-	0%	0%	-	0%	0%	9 888	0%	0%
Investments in subsidiaries and associates	-	0%	0%	-	0%	0%	9 888	0%	0%
OTHER NON-CURRENT ASSETS	19 728	0%	1%	47 662	0%	2%	47 662	0%	2%
Other non-current assets	19 728	0%	1%	47 662	0%	2%	47 662	0%	2%
CURRENT ASSETS	**5 860 750**	66%	**100%**	**6 788 906**	69%	**100%**	**6 781 529**	69%	**100%**
INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	4 052 344	45%	69%	4 419 589	45%	65%	4 814 826	49%	71%
Inventories	3 686 427	41%	63%	4 162 938	42%	61%	4 512 239	46%	67%
Raw materials and components	988	0%	0%	995	0%	0%	1 166	0%	0%
Goods for resale	3 685 439	41%	63%	4 161 943	42%	61%	4 511 073	46%	67%
Prepayments	365 917	4%	6%	256 651	3%	4%	302 587	3%	4%
AMOUNTS RECEIVABLE WITHIN ONE YEAR	1 628 736	18%	28%	1 690 604	17%	25%	1 536 131	16%	23%
Trade debtors	1 200 358	13%	20%	1 334 696	14%	20%	1 384 210	14%	20%
Amounts receivable from subsidiaries and associates	411 622	5%	7%	348 831	4%	5%	138 077	1%	2%
Other amounts receivable	16 756	0%	0%	7 077	0%	0%	13 844	0%	0%
OTHER CURRENT ASSETS	-	0%	0%	-	0%	0%	-	0%	0%
CASH AND CASH EQUIVALENTS	179 670	2%	3%	678 713	7%	10%	430 572	4%	6%
TOTAL ASSETS	**8 933 290**	**100%**		**9 850 741**	**100%**		**9 794 830**	**100%**	

Appendix 4

	31.12.2010	Overall	Sectional	31.12.2011	Overall	Sectional	31.12.2012	Overall	Sectional
EQUITY	**5 243 721**	59%	**100%**	**5 461 779**	55%	**100%**	**6 510 594**	66%	**100%**
CAPITAL	170 000	2%	3%	170 000	2%	3%	170 000	2%	3%
Authorised (subscribed)	170 000	2%	3%	170 000	2%	3%	170 000	2%	3%
REVALUATION RESERVE (RESULTS)	-	0%	0%	-	0%	0%	-	0%	0%
RESERVES	22 288	0%	0%	22 288	0%	0%	22 288	0%	0%
Legal reserve	22 288	0%	0%	22 288	0%	0%	22 288	0%	0%
RETAINED EARNINGS (LOSSES)	5 051 433	57%	96%	5 269 491	53%	96%	6 318 306	65%	97%
Profit (loss) of the reporting year	778 422	9%	15%	607 058	6%	11%	1 288 815	13%	20%
Profit (loss) of the previous years	4 273 011	48%	81%	4 662 433	47%	85%	5 029 491	51%	77%
GRANTS AND SUBSIDIES	**-**	0%		**-**	0%		**-**	0%	
AMOUNTS PAYABLE AND LIABILITIES	**3 689 569**	41%	**100%**	**4 388 962**	45%	**100%**	**3 284 236**	34%	**100%**
NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	561 907	6%	15%	304 170	3%	7%	191 470	2%	6%
Financial debts	561 907	6%	15%	304 170	3%	7%	191 470	2%	6%
Leases and similar liabilities	128 909	1%	3%	-	0%	0%	-	0%	0%
To credit institutions	432 998	5%	12%	304 170	3%	7%	191 470	2%	6%
CURRENT AMOUNTS PAYABLE AND LIABILITIES	3 127 662	35%	85%	4 084 792	41%	93%	3 092 766	32%	94%
Current portion of long-term debts	401 614	4%	11%	408 129	4%	9%	112 700	1%	3%
Financial debts	200 000	2%	5%	700 000	7%	16%	-	0%	0%
To credit institutions	200 000	2%	5%	700 000	7%	16%	-	0%	0%
Trade amounts payable	1 442 483	16%	39%	1 652 165	17%	38%	1 665 731	17%	51%
Received prepayments	77 763	1%	2%	113 387	1%	3%	49 594	1%	2%
Income tax liabilities	33 094	0%	1%	13 412	0%	0%	82 602	1%	3%
Liabilities related to employment relations	520 231	6%	14%	646 272	7%	15%	644 678	7%	20%
Other amounts payable and current liabilities	452 477	5%	12%	551 427	6%	13%	537 461	5%	16%
TOTAL EQUITY AND LIABILITIES	**8 933 290**	**100%**		**9 850 741**	**100%**		**9 794 830**	**100%**	

Appendix 5: List of obsolete inventory in 2010

Item group	Quantity	Cumulative LTL	%	Amount	Cumulative LTL	%
Integrated circuits	3,120,00	3,120,00	0.36%	24,454,44	24,454,44	5.65%
Lights for discos	757,67	3,877,67	0.44%	22,978,74	47,433,18	10.95%
Voltage stabilizers, regulators	644,00	4,521,67	0.52%	21,523,25	68,956,43	15.92%
Solder alloy	576,00	5,097,67	0.58%	15,284,63	84,241,06	19.45%
LED strips, modules and controllers	4,442,00	9,539,67	1.09%	14,760,10	99,001,16	22.86%
Industry type power supplies	418,00	9,957,67	1.14%	14,017,61	113,018,77	26.10%
Video cameras, video capturing boards	79,00	10,036,67	1.15%	13,396,43	126,415,20	29.19%
Oscilloscopes	28,00	10,064,67	1.15%	12,739,55	139,154,75	32.13%
Power supplies with true sine wave	59,00	10,123,67	1.16%	12,678,02	151,832,77	35.06%
Relays coil type	6,411,00	16,534,67	1.89%	12,122,47	163,955,24	37.86%
Power supplies for PCs	185,00	16,719,67	1.91%	12,068,82	176,024,06	40.65%
High-voltage transformers	215,00	16,934,67	1.93%	10,130,86	186,154,92	42.99%
Cables	25,786,60	42,721,27	4.88%	8,236,95	194,391,87	44.89%
LED 5mm type	10,658,00	53,379,27	6.10%	8,054,32	202,446,19	46.75%
Cables for security systems, phones	7,740,20	61,119,47	6.98%	7,089,87	209,536,06	48.39%
Power supplies with DIN mounting	86,00	61,205,47	6.99%	5,766,02	215,302,08	49.72%
Fixed power supplies	472,00	61,677,47	7.04%	5,655,32	220,957,40	51.02%
Resistors SMD 0805	202,470,85	264,148,32	30.17%	5,579,11	226,536,51	52.31%
Multimeters	65,00	264,213,32	30.18%	4,764,30	231,300,81	53.41%
Measurement instruments METREL, FLUKE, ESCORT	7,00	264,220,32	30.18%	4,347,03	235,647,84	54.42%
Resistors 0.25W	104,431,92	368,652,24	42.11%	4,313,43	239,961,27	55.41%
LED lamps	201,00	368,853,24	42.13%	4,192,21	244,153,48	56.38%
Power supplies AC/DC universal	188,00	369,041,24	42.15%	4,180,56	248,334,04	57.35%
Security systems for accommodation	73,00	369,114,24	42.16%	4,145,33	252,479,37	58.30%
Power supplies DC/DC	252,00	369,366,24	42.19%	4,101,54	256,580,91	59.25%

Variable power supplies	17,00	369,383,24	42.19%	3,585,46	260,166,37	60.08%
Cable terminals, end sleeves	14,509,00	383,892,24	43.85%	3,550,81	263,717,18	60.90%
Pliers	460,00	384,352,24	43.90%	3,340,70	267,057,88	61.67%
Ceramic capacitors	123,003,00	507,355,24	57.95%	3,310,65	270,368,53	62.43%
Insulation materials	3,615,97	510,971,21	58.36%	3,266,45	273,634,98	63.19%
Speakers	20,00	510,991,21	58.37%	3,225,35	276,860,33	63.93%
Transistors	4,156,00	515,147,21	58.84%	3,219,14	280,079,47	64.68%
Soldering irons	23,00	515,170,21	58.84%	3,088,75	283,168,22	65.39%
Connection cables for car radio	525,00	515,695,21	58.90%	2,781,36	285,949,58	66.03%
Lamps	266,00	515,961,21	58.93%	2,725,87	288,675,45	66.66%
Washing machines control modules	37,00	515,998,21	58.94%	2,716,14	291,391,59	67.29%
Capacitors for motors	1,360,00	517,358,21	59.09%	2,687,50	294,079,09	67.91%
NiMh, NiCd, Li-ion, Li-poly accumulators	154,00	517,512,21	59.11%	2,687,41	296,766,50	68.53%
Resistors 1W	93,203,60	610,715,81	69.76%	2,572,27	299,338,77	69.12%
Connecting AUDIO, VIDEO cables	209,00	610,924,81	69.78%	2,515,22	301,853,99	69.70%
Remote controls COM	176,00	611,100,81	69.80%	2,509,71	304,363,70	70.28%
Potentiometers	3,690,90	614,791,71	70.22%	2,360,22	306,723,92	70.83%
Power supplies for LEDs	53,00	614,844,71	70.23%	2,353,76	309,077,68	71.37%
Resistors 2W	63,777,40	678,622,11	77.51%	2,317,78	311,395,46	71.91%
Microphones	23,00	678,645,11	77.52%	2,304,62	313,700,08	72.44%
Items from ELFA catalogue	210,28	678,855,39	77.54%	2,254,00	315,954,08	72.96%
Controllers	54,00	678,909,39	77.55%	2,241,66	318,195,74	73.48%
Various measurement devices	62,30	678,971,69	77.55%	2,231,57	320,427,31	73.99%
Measurement devices for cars, connectors	76,00	679,047,69	77.56%	2,228,24	322,655,55	74.51%
Coaxial cables	3,845,90	682,893,59	78.00%	2,172,84	324,828,39	75.01%
Security systems for cars	180,00	683,073,59	78.02%	2,121,22	326,949,61	75.50%
TV sets, monitors	9,00	683,082,59	78.02%	2,110,42	329,060,03	75.99%
Solar and wind power supplies	5,00	683,087,59	78.02%	2,100,48	331,160,51	76.47%
Soldering iron tips	165,00	683,252,59	78.04%	2,096,62	333,257,13	76.96%

RF connectors	3,113,00	686,365,59	78.40%	2,055,04	335,312,17	77.43%
Car radio and amplifiers	11,00	686,376,59	78.40%	2,028,49	337,340,66	77.90%
LED SMD type	9,383,00	695,759,59	79.47%	1,989,33	339,329,99	78.36%
Cable ties	53,822,30	749,581,89	85.62%	1,939,73	341,269,72	78.81%
Logical integrated circuits	1,447,00	751,028,89	85.78%	1,907,91	343,177,63	79.25%
Shielded cables	1,693,98	752,722,87	85.98%	1,852,92	345,030,55	79.67%
Element collection sets - constructors	44,00	752,766,87	85.98%	1,828,99	346,859,54	80.10%
Car lamps	502,00	753,268,87	86.04%	1,741,32	348,600,86	80.50%
Crimping pliers	34,00	753,302,87	86.04%	1,737,69	350,338,55	80.90%
Loudspeakers, speakers for cars	22,00	753,324,87	86.05%	1,703,13	352,041,68	81.29%
Screwdrivers	234,00	753,558,87	86.07%	1,689,85	353,731,53	81.68%
Audio amplifiers, panels, filters	8,00	753,566,87	86.07%	1,639,21	355,370,74	82.06%
Laser heads	79,00	753,645,87	86.08%	1,630,95	357,001,69	82.44%
Diodes	1,008,00	754,653,87	86.20%	1,616,50	358,618,19	82.81%
Batteries Pb	63,00	754,716,87	86.21%	1,529,12	360,147,31	83.17%
Chargers for GSM, PDA, iPod, iPhone	261,00	754,977,87	86.24%	1,512,32	361,659,63	83.51%
Video camera batteries	386,00	755,363,87	86.28%	1,486,06	363,145,69	83.86%
Pumps and filters for washing machines	67,00	755,430,87	86.29%	1,464,71	364,610,40	84.20%
Power connectors	1,572,00	757,002,87	86.47%	1,435,96	366,046,36	84.53%
Industry type switches	119,00	757,121,87	86.48%	1,433,32	367,479,68	84.86%
Computer accessories	63,00	757,184,87	86.49%	1,417,94	368,897,62	85.19%
Batteries CSB for backup power	59,00	757,243,87	86.49%	1,383,25	370,280,87	85.51%
TV modules	37,00	757,280,87	86.50%	1,253,88	371,534,75	85.79%
Connecting computer cables	310,00	757,590,87	86.53%	1,248,09	372,782,84	86.08%
Wireless video senders	10,00	757,600,87	86.54%	1,175,88	373,958,72	86.35%
TV, DVB-T, SAT antennas and holders	67,00	757,667,87	86.54%	1,163,70	375,122,42	86.62%
AUDIO, VIDEO cables	1,000,00	758,667,87	86.66%	1,163,00	376,285,42	86.89%
Programmers and accessories	2,00	758,669,87	86.66%	1,128,55	377,413,97	87.15%
Cable clamps, markers	38,159,00	796,828,87	91.02%	1,111,67	378,525,64	87.41%

Door gaskets for washing machines	59,00	796,887,87	91.02%	1,106,06	379,631,70	87.66%
Holders for car radio	91,00	796,978,87	91.03%	1,093,77	380,725,47	87.92%
Toroidal transformers	28,00	797,006,87	91.04%	1,089,15	381,814,62	88.17%
Fuses and fuseholders	10,764,00	807,770,87	92.27%	1,072,92	382,887,54	88.42%
Radio transceivers	18,00	807,788,87	92.27%	1,061,65	383,949,19	88.66%
Torches	52,00	807,840,87	92.27%	990,36	384,939,55	88.89%
Cylinder type batteries	750,00	808,590,87	92.36%	987,35	385,926,90	89.12%
Magnifying glasses	31,00	808,621,87	92.36%	972,01	386,898,91	89.34%
Car fuses	1,145,00	809,766,87	92.49%	971,72	387,870,63	89.57%
Door handles, folds and glass for washing machines	123,00	809,889,87	92.51%	955,90	388,826,53	89.79%
Belts for washing machines	111,00	810,000,87	92.52%	954,67	389,781,20	90.01%
Low voltage lamps	5,416,00	815,416,87	93.14%	946,87	390,728,07	90.23%
Batteries CSB for mobile devices	9,00	815,425,87	93.14%	937,41	391,665,48	90.44%
Connecting RF cables	691,00	816,116,87	93.22%	921,03	392,586,51	90.66%
Connectors HIROSE	242,00	816,358,87	93.25%	909,65	393,496,16	90.87%
Weather station, clocks and thermometers	10,00	816,368,87	93.25%	900,46	394,396,62	91.07%
Halogen bulbs, low voltage lamps	321,00	816,689,87	93.28%	887,36	395,283,98	91.28%
Loudspeakers	35,00	816,724,87	93.29%	848,00	396,131,98	91.47%
Batteries	24,00	816,748,87	93.29%	841,27	396,973,25	91.67%
Environment meters	7,00	816,755,87	93.29%	838,40	397,811,65	91.86%
GSM, UMTS, HSDPA, WLAN antennas, connections	14,00	816,769,87	93.29%	818,88	398,630,53	92.05%
Film capacitors	3,705,00	820,474,87	93.72%	804,62	399,435,15	92.24%
Resistors 0.5W	7,806,72	828,281,59	94.61%	757,57	400,192,72	92.41%
Taps, sockets for RF signal	195,00	828,476,59	94.63%	730,02	400,922,74	92.58%
Ultrasonic cleaners	11,00	828,487,59	94.63%	718,40	401,641,14	92.75%
Connectors with crimp contacts	4,157,00	832,644,59	95.11%	714,38	402,355,52	92.91%
Viryklių kaitinimo elementai iš viso:	21,00	832,665,59	95.11%	705,49	403,061,01	93.07%
Heaters for ovens	37,00	832,702,59	95.11%	691,94	403,752,95	93.23%
Push button switches	342,00	833,044,59	95.15%	647,43	404,400,38	93.38%

Items from ASWO catalogue	25,00	833,069,59	95.16%	642,00	405,042,38	93.53%
Soldering pots	13,00	833,082,59	95.16%	620,87	405,663,25	93.68%
Resonators	1,445,00	834,527,59	95.32%	604,61	406,267,86	93.82%
Original remote controls	89,00	834,616,59	95.33%	601,69	406,869,55	93.95%
Vacuum cleaner dust bags	105,00	834,721,59	95.34%	599,99	407,469,54	94.09%
Headphones	18,00	834,739,59	95.35%	598,17	408,067,71	94.23%
Electrolytic capacitors	2,271,00	837,010,59	95.61%	589,66	408,657,37	94.37%
Chemical materials	36,00	837,046,59	95.61%	572,44	409,229,81	94.50%
GPS equipment	15,00	837,061,59	95.61%	569,67	409,799,48	94.63%
Power supplies UPS	4,00	837,065,59	95.61%	566,99	410,366,47	94.76%
Video camera batteries	19,00	837,084,59	95.61%	561,24	410,927,71	94.89%
Printed boards	234,00	837,318,59	95.64%	558,49	411,486,20	95.02%
Ordered items	396,00	837,714,59	95.69%	550,06	412,036,26	95.15%
Connectors	1,123,00	838,837,59	95.81%	548,28	412,584,54	95.27%
LED 3mm type	2,640,00	841,477,59	96.12%	547,84	413,132,38	95.40%
Diodes	448,00	841,925,59	96.17%	492,91	413,625,29	95.51%
Seal bearings for washing machines	96,00	842,021,59	96.18%	484,38	414,109,67	95.63%
Screwdrivers sets	27,00	842,048,59	96.18%	467,95	414,577,62	95.73%
Tweezers, scalpels	135,00	842,183,59	96.20%	467,68	415,045,30	95.84%
Oven parts	37,00	842,220,59	96.20%	462,07	415,507,37	95.95%
Transformers	39,00	842,259,59	96.21%	455,93	415,963,30	96.05%
Items from Velleman catalogue	12,00	842,271,59	96.21%	429,34	416,392,64	96.15%
Clamp meters	10,00	842,281,59	96.21%	427,51	416,820,15	96.25%
Coils, reactors	3,718,00	845,999,59	96.63%	414,00	417,234,15	96.35%
Relays sockets	587,00	846,586,59	96.70%	398,71	417,632,86	96.44%
Parking systems for cars	4,00	846,590,59	96.70%	389,71	418,022,57	96.53%
Copper wire	19,00	846,609,59	96.70%	388,61	418,411,18	96.62%
Microwave oven parts	41,00	846,650,59	96.71%	386,69	418,797,87	96.71%
Voltage regulators	788,00	847,438,59	96.80%	344,90	419,142,77	96.79%

Fans	105,00	847,543,59	96.81%	343,77	419,486,54	96.87%
Data storages and readers	34,00	847,577,59	96.81%	339,51	419,826,05	96.95%
Cables for computer network	589,50	848,167,09	96.88%	338,72	420,164,77	97.02%
Resistors 5W	3,602,00	851,769,09	97.29%	332,20	420,496,97	97.10%
Universal NiCd, NiMH, Li-Ion accumulators	36,00	851,805,09	97.30%	324,77	420,821,74	97.18%
Locks for washing machines	16,00	851,821,09	97.30%	323,48	421,145,22	97.25%
Gas type soldering equipment	4,00	851,825,09	97.30%	319,88	421,465,10	97.32%
Items from TME catalogue	3,530,00	855,355,09	97.70%	319,45	421,784,55	97.40%
Hoses for washing machines	42,00	855,397,09	97.71%	313,45	422,098,00	97.47%
Hoses for washing machines	111,00	855,508,09	97.72%	308,14	422,406,14	97.54%
Resistors 10W	1,284,00	856,792,09	97.87%	297,72	422,703,86	97.61%
Shock absorbers for washing machines	28,00	856,820,09	97.87%	296,99	423,000,85	97.68%
LED 10-12mm type	1,290,00	858,110,09	98.02%	294,72	423,295,57	97.75%
Telephone plugs, jacks, transitions	883,00	858,993,09	98.12%	294,12	423,589,69	97.82%
Loudspeaker devices	96,00	859,089,09	98.13%	287,48	423,877,17	97.88%
Suitcases, bags	6,00	859,095,09	98.13%	268,90	424,146,07	97.94%
Bearings	41,00	859,136,09	98.13%	267,78	424,413,85	98.01%
Optocouplers	168,00	859,304,09	98.15%	259,36	424,673,21	98.07%
Common resistor networks, fusible resistors	3,498,00	862,802,09	98.55%	253,14	424,926,35	98.12%
Items from FARNELL catalogue	2,00	862,804,09	98.55%	252,63	425,178,98	98.18%
Disc type batteries	259,00	863,063,09	98.58%	245,39	425,424,37	98.24%
Laboratory connectors	107,00	863,170,09	98.59%	244,14	425,668,51	98.30%
Controls for heating systems	2,00	863,172,09	98.59%	240,88	425,909,39	98.35%
Heat sinks	67,00	863,239,09	98.60%	239,12	426,148,51	98.41%
Zener diodes	5,218,00	868,457,09	99.20%	234,75	426,383,26	98.46%
Connecting DC power-supply cables	52,00	868,509,09	99.20%	232,00	426,615,26	98.51%
Batteries for GSM	34,00	868,543,09	99.21%	225,16	426,840,42	98.57%
Proximity switches	7,00	868,550,09	99.21%	222,06	427,062,48	98.62%
Filters	2,548,00	871,098,09	99.50%	219,55	427,282,03	98.67%

Antenna amplifiers	34,00	871,132,09	99.50%	208,96	427,490,99	98.72%
Refrigerator parts	44,00	871,176,09	99.51%	205,55	427,696,54	98.76%
Motors, belts	559,00	871,735,09	99.57%	203,36	427,899,90	98.81%
Fluxes and soldering pastes	20,00	871,755,09	99.57%	201,16	428,101,06	98.86%
Switchers for washing machines	19,00	871,774,09	99.58%	199,38	428,300,44	98.90%
Soldering tools	18,00	871,792,09	99.58%	188,00	428,488,44	98.95%
Connecting 220V cables	33,00	871,825,09	99.58%	181,87	428,670,31	98.99%
Varistors	574,00	872,399,09	99.65%	179,75	428,850,06	99.03%
Antistatic material, tools	87,00	872,486,09	99.66%	176,80	429,026,86	99.07%
Batteries CSB for backup power, increased efficiency	5,00	872,491,09	99.66%	173,84	429,200,70	99.11%
GSM and PDA batteries	10,00	872,501,09	99.66%	170,10	429,370,80	99.15%
Resistors 0.6W	1,367,30	873,868,39	99.82%	162,24	429,533,04	99.19%
Switches rockers	105,00	873,973,39	99.83%	159,72	429,692,76	99.22%
Valves for washing machines	9,00	873,982,39	99.83%	158,81	429,851,57	99.26%
Measurement instrument wires and accessory	28,00	874,010,39	99.83%	155,92	430,007,49	99.30%
Solid state relays	2,00	874,012,39	99.83%	153,60	430,161,09	99.33%
Thermosensors and thermostats for washing machines	11,00	874,023,39	99.83%	148,85	430,309,94	99.37%
Isolation transformers	2,00	874,025,39	99.83%	146,17	430,456,11	99.40%
Rectifier bridges	176,00	874,201,39	99.85%	144,62	430,600,73	99.43%
IC sockets	131,00	874,332,39	99.87%	143,83	430,744,56	99.47%
High voltage transformers	6,00	874,338,39	99.87%	135,66	430,880,22	99.50%
LED and LCD displays	35,00	874,373,39	99.87%	133,76	431,013,98	99.53%
Other tools	11,00	874,384,39	99.87%	133,75	431,147,73	99.56%
Various household equipment parts	16,00	874,400,39	99.88%	110,15	431,257,88	99.59%
Thyristors, semistors	58,00	874,458,39	99.88%	105,89	431,363,77	99.61%
Electric metering devices and controls	3,00	874,461,39	99.88%	101,90	431,465,67	99.63%
Telephone sockets	39,00	874,500,39	99.89%	101,36	431,567,03	99.66%
Vacuum cleaner parts	10,00	874,510,39	99.89%	89,89	431,656,92	99.68%
Universal remote controls	19,00	874,529,39	99.89%	88,55	431,745,47	99.70%

Telephone expansion cords	126,00	874,655,39	99.91%	86,43	431,831,90	99.72%
Motor carbon brushes	15,00	874,670,39	99.91%	83,44	431,915,34	99.74%
LED 8mm type	368,00	875,038,39	99.95%	83,17	431,998,51	99.76%
Various switches	39,00	875,077,39	99.95%	81,46	432,079,97	99.78%
CD, VHS cleaning accessories	9,00	875,086,39	99.95%	80,91	432,160,88	99.79%
Computer network equipment	3,00	875,089,39	99.95%	75,58	432,236,46	99.81%
Slide type switches	181,00	875,270,39	99.98%	73,65	432,310,11	99.83%
GSM hands-free equipment and accessories	5,00	875,275,39	99.98%	71,29	432,381,40	99.85%
Video heads	1,00	875,276,39	99.98%	63,20	432,444,60	99.86%
Industry type accumulators	16,00	875,292,39	99.98%	63,09	432,507,69	99.87%
Automobile antennas	7,00	875,299,39	99.98%	61,59	432,569,28	99.89%
Cancelled positions	1,00	875,300,39	99.98%	60,00	432,629,28	99.90%
Gramophone styluses	6,00	875,306,39	99.98%	58,76	432,688,04	99.92%
Tuners	5,00	875,311,39	99.98%	58,05	432,746,09	99.93%
Batteries CSB for wide temperature range	1,00	875,312,39	99.98%	45,78	432,791,87	99.94%
Panel meters	4,00	875,316,39	99.98%	42,78	432,834,65	99.95%
Glue	38,00	875,354,39	99.99%	40,19	432,874,84	99.96%
Items from Schukat catalogue	25,00	875,379,39	99.99%	36,80	432,911,64	99.97%
Mechanic parts	16,00	875,395,39	99.99%	35,84	432,947,48	99.98%
Optical wires with connectors	1,00	875,396,39	99.99%	30,23	432,977,71	99.98%
Lamps for LCD monitors	4,00	875,400,39	99.99%	22,86	433,000,57	99.99%
Radio antennas	16,00	875,416,39	99.99%	21,17	433,021,74	99.99%
Thermistors	25,00	875,441,39	100.00%	14,79	433,036,53	100.00%
Buzzers	13,00	875,454,39	100.00%	6,23	433,042,76	100.00%
Items from USA catalogue	1,00	875,455,39	100.00%	3,52	433,046,28	100.00%
Enclosures	27,00	875,482,39	100.00%	2,82	433,049,10	100.00%
Toggle switches	1,00	875,483,39	100.00%	2,37	433,051,47	100.00%

Appendix 6: List of obsolete inventory in 2011

Item group	Quantity	Cumulative LTL	%	Amount	Cumulative LTL	%
Fixed power supplies	1,240,00	1,240,00	0.16%	24,910,21	24,910,21	5.80%
Industry type enclosed power supplies	832,00	2,072,00	0.26%	23,637,85	48,548,06	11.30%
Light for DISCOs	380,28	2,452,28	0.31%	18,781,49	67,329,55	15.68%
Integrated circuits	1,945,00	4,397,28	0.56%	17,865,71	85,195,26	19.84%
Power supplies with DIN mounting	204,00	4,601,28	0.58%	16,334,30	101,529,56	23.64%
Power supplies for LEDs	387,00	4,988,28	0.63%	14,042,05	115,571,61	26.91%
Oscilloscopes	16,00	5,004,28	0.63%	9,406,14	124,977,75	29.10%
Electric metering devices and controls	137,00	5,141,28	0.65%	9,142,62	134,120,37	31.23%
Voltage stabilizers, regulators	295,00	5,436,28	0.69%	8,953,23	143,073,60	33.31%
Cables	19,233,13	24,669,41	3.12%	8,359,83	151,433,43	35.26%
Industry type power supplies	174,00	24,843,41	3.14%	8,266,63	159,700,06	37.18%
Switches rockers	4,812,00	29,655,41	3.75%	7,244,35	166,944,41	38.87%
Industry type open frame power supplies	359,00	30,014,41	3.79%	6,784,12	173,728,53	40.45%
Video cameras, video capturing boards	49,00	30,063,41	3.80%	6,636,38	180,364,91	41.99%
Cables for security systems, phones	6,792,50	36,855,91	4.66%	6,556,55	186,921,46	43.52%
Stand-alone solar inverter power supplies	4,00	36,859,91	4.66%	6,180,51	193,101,97	44.96%
Power supplies with true sine wave	21,00	36,880,91	4.66%	5,981,37	199,083,34	46.35%
High-voltage transformers	131,00	37,011,91	4.68%	5,825,06	204,908,40	47.71%
Items from FARNELL catalogue	3,107,00	40,118,91	5.07%	5,460,35	210,368,75	48.98%
Relays coil type	2,979,00	43,097,91	5.45%	5,377,70	215,746,45	50.23%
LED strips, modules and controllers	2,773,00	45,870,91	5.80%	5,297,42	221,043,87	51.46%
Resistors SMD 0805	193,981,65	239,852,56	30.32%	5,293,25	226,337,12	52.70%
Multimeters	80,00	239,932,56	30.33%	4,774,44	231,111,56	53.81%
Power supplies with modified sine wave	11,00	239,943,56	30.33%	4,763,95	235,875,51	54.92%

Environment meters	65,00	240,008,56	30.34%	4,736,66	240,612,17	56.02%
Solar and wind power supplies	256,00	240,264,56	30.37%	4,493,97	245,106,14	57.07%
Coaxial cables	7,674,08	247,938,64	31.34%	4,300,22	249,406,36	58.07%
LED 5mm type	4,637,00	252,575,64	31.93%	4,070,32	253,476,68	59.01%
LED lamps	145,00	252,720,64	31.94%	3,941,02	257,417,70	59.93%
Resistors 0.25W	87,835,87	340,556,51	43.05%	3,615,63	261,033,33	60.77%
Audio amplifiers, panels, filters	13,00	340,569,51	43.05%	3,598,47	264,631,80	61.61%
Lamps	501,00	341,070,51	43.11%	3,562,43	268,194,23	62.44%
Connecting AUDIO, VIDEO cables	805,00	341,875,51	43.21%	3,424,05	271,618,28	63.24%
Power supplies for PCs	67,00	341,942,51	43.22%	3,314,24	274,932,52	64.01%
Soldering pots	12,00	341,954,51	43.22%	3,303,42	278,235,94	64.78%
Transistors	2,875,00	344,829,51	43.59%	3,075,69	281,311,63	65.50%
Security systems for accommodation	72,00	344,901,51	43.59%	3,031,01	284,342,64	66.20%
Enclosures	322,00	345,223,51	43.64%	2,989,11	287,331,75	66.90%
Logical integrated circuits	1,817,00	347,040,51	43.87%	2,979,84	290,311,59	67.59%
Insulation materials	3,091,20	350,131,71	44.26%	2,978,08	293,289,67	68.28%
Cable terminals, end sleeves	17,847,00	367,978,71	46.51%	2,928,11	296,217,78	68.97%
Weather stations, clocks and thermometers	26,00	368,004,71	46.52%	2,540,81	298,758,59	69.56%
Computer accessories	60,00	368,064,71	46.52%	2,532,83	301,291,42	70.15%
Washing machines control modules	37,00	368,101,71	46.53%	2,447,21	303,738,63	70.72%
Speakers	16,00	368,117,71	46.53%	2,419,96	306,158,59	71.28%
TV, DVB-T, SAT antennas and holders	105,00	368,222,71	46.54%	2,383,85	308,542,44	71.84%
Loudspeakers, speakers systems for cars	33,00	368,255,71	46.55%	2,279,22	310,821,66	72.37%
Resistors 1W	82,609,60	450,865,31	56.99%	2,277,77	313,099,43	72.90%
Soldering irons	19,00	450,884,31	56.99%	2,259,79	315,359,22	73.42%
Controls for heating systems	34,00	450,918,31	57.00%	2,213,12	317,572,34	73.94%
Toroidal transformers	71,00	450,989,31	57.00%	2,210,28	319,782,62	74.45%
Pliers	262,00	451,251,31	57.04%	2,083,20	321,865,82	74.94%
Programmers and accessories	1,00	451,252,31	57.04%	2,054,36	323,920,18	75.42%

Soldering iron tips	161,00	451,413,31	57.06%	2,026,09	325,946,27	75.89%
Capacitors for motors	1,041,00	452,454,31	57.19%	2,000,00	327,946,27	76.35%
Remote controls COM	123,00	452,577,31	57.20%	1,955,12	329,901,39	76.81%
Cylinder type batteries	1,349,00	453,926,31	57.38%	1,929,76	331,831,15	77.26%
Cable ties	52,410,00	506,336,31	64.00%	1,927,85	333,759,00	77.71%
Resistors 2W	49,913,00	556,249,31	70.31%	1,827,79	335,586,79	78.13%
Battery chargers for VIDEO equipment	391,00	556,640,31	70.36%	1,803,72	337,390,51	78.55%
Variable power supplies	9,00	556,649,31	70.36%	1,693,43	339,083,94	78.95%
Pumps and filters for washing machines	81,00	556,730,31	70.37%	1,657,81	340,741,75	79.33%
Trimmers	3,091,90	559,822,21	70.76%	1,609,79	342,351,54	79.71%
Connecting computer cables	311,00	560,133,21	70.80%	1,524,26	343,875,80	80.06%
Shielded cables	2,086,50	562,219,71	71.06%	1,515,04	345,390,84	80.41%
TV sets, monitors	24,00	562,243,71	71.07%	1,498,99	346,889,83	80.76%
Items from Velleman catalogue	31,00	562,274,71	71.07%	1,458,40	348,348,23	81.10%
Door gaskets for washing machines	73,00	562,347,71	71.08%	1,412,12	349,760,35	81.43%
Ceramic capacitors SMD	94,444,70	656,792,41	83.02%	1,405,87	351,166,22	81.76%
RF connectors	686,00	657,478,41	83.10%	1,356,89	352,523,11	82.07%
Crimping pliers	28,00	657,506,41	83.11%	1,317,49	353,840,60	82.38%
Parking systems for cars	12,00	657,518,41	83.11%	1,288,91	355,129,51	82.68%
Printed boards	523,00	658,041,41	83.18%	1,285,61	356,415,12	82.98%
Solder alloy	42,00	658,083,41	83.18%	1,274,24	357,689,36	83.28%
Ceramic capacitors THT	16,349,90	674,433,31	85.25%	1,266,82	358,956,18	83.57%
Laser heads	59,00	674,492,31	85.25%	1,212,43	360,168,61	83.85%
LED SMD type	5,481,00	679,973,31	85.95%	1,193,01	361,361,62	84.13%
Screwdrivers	156,00	680,129,31	85.97%	1,182,96	362,544,58	84.41%
Items from ASWO catalogue	34,00	680,163,31	85.97%	1,171,32	363,715,90	84.68%
High power LED	795,00	680,958,31	86.07%	1,136,84	364,852,74	84.95%
GPS equipment	11,00	680,969,31	86.07%	1,135,68	365,988,42	85.21%
Security systems for cars	77,00	681,046,31	86.08%	1,120,89	367,109,31	85.47%

Various measurement devices	38,00	681,084,31	86.09%	1,091,35	368,200,66	85.72%
Bearings	213,00	681,297,31	86.11%	1,064,86	369,265,52	85.97%
Element collection sets - constructors	27,00	681,324,31	86.12%	1,059,36	370,324,88	86.22%
Push button switches	583,00	681,907,31	86.19%	1,054,42	371,379,30	86.46%
Universal NiCd, NiMH, Li-Ion accumulators	186,00	682,093,31	86.22%	1,030,61	372,409,91	86.70%
Controllers	26,00	682,119,31	86.22%	1,024,94	373,434,85	86.94%
Connection cables ISO for car radio	316,00	682,435,31	86.26%	1,017,47	374,452,32	87.18%
Chargers for Pb batteries	9,00	682,444,31	86.26%	990,23	375,442,55	87.41%
Heaters for washing machines	50,00	682,494,31	86.27%	966,05	376,408,60	87.64%
Terminal blocks	627,00	683,121,31	86.35%	958,15	377,366,75	87.86%
Connection cables for car radio	70,00	683,191,31	86.35%	943,78	378,310,53	88.08%
Cables for computer network	1,136,85	684,328,16	86.50%	927,18	379,237,71	88.29%
Taps, sockets for RF signal	201,00	684,529,16	86.52%	913,60	380,151,31	88.51%
Magnifying glasses	218,00	684,747,16	86.55%	911,06	381,062,37	88.72%
Heaters for ovens	33,00	684,780,16	86.55%	906,12	381,968,49	88.93%
Cable clamps, markers	30,283,00	715,063,16	90.38%	885,22	382,853,71	89.14%
Door handles, folds and glass for washing machines	108,00	715,171,16	90.40%	883,74	383,737,45	89.34%
Loudspeakers	26,00	715,197,16	90.40%	869,41	384,606,86	89.54%
Ultrasonic cleaners	5,00	715,202,16	90.40%	866,77	385,473,63	89.75%
Connectors with crimp contacts	6,564,00	721,766,16	91.23%	865,23	386,338,86	89.95%
Items from Schukat catalogue	765,00	722,531,16	91.33%	859,20	387,198,06	90.15%
Video camera batteries	31,00	722,562,16	91.33%	824,19	388,022,25	90.34%
low voltage lamps	4,788,00	727,350,16	91.94%	813,53	388,835,78	90.53%
Original remote controls	161,00	727,511,16	91.96%	810,43	389,646,21	90.72%
Connecting RF cables	613,00	728,124,16	92.03%	807,48	390,453,69	90.91%
Connectors HIROSE	126,00	728,250,16	92.05%	792,46	391,246,15	91.09%
Measurement devices for cars, connectors	24,00	728,274,16	92.05%	781,90	392,028,05	91.27%
Ordered items	413,00	728,687,16	92.10%	779,35	392,807,40	91.45%
Fuses and fuseholders	8,889,00	737,576,16	93.23%	760,03	393,567,43	91.63%

Resonators	3,533,00	741,109,16	93.67%	759,90	394,327,33	91.81%
Various household equipment parts	54,00	741,163,16	93.68%	745,38	395,072,71	91.98%
Radio transceivers	13,00	741,176,16	93.68%	720,86	395,793,57	92.15%
Film capacitors	3,513,00	744,689,16	94.13%	720,59	396,514,16	92.32%
Belts for washing machines	86,00	744,775,16	94.14%	713,29	397,227,45	92.48%
Halogen bulbs, low voltage lamps	312,00	745,087,16	94.18%	681,92	397,909,37	92.64%
Microphones	13,00	745,100,16	94.18%	672,80	398,582,17	92.80%
Gas type soldering equipment	13,00	745,113,16	94.18%	662,03	399,244,20	92.95%
Rectifier bridges	101,00	745,214,16	94.19%	651,51	399,895,71	93.10%
Connectors DB, DVI, VGA, IDC	2,014,00	747,228,16	94.45%	642,88	400,538,59	93.25%
Chemical materials	56,00	747,284,16	94.46%	627,19	401,165,78	93.40%
UPS uninterruptible power supplies	2,00	747,286,16	94.46%	622,33	401,788,11	93.54%
Holders for car radio	60,00	747,346,16	94.46%	609,27	402,397,38	93.69%
Vacuum cleaner parts	34,00	747,380,16	94.47%	605,41	403,002,79	93.83%
Resistors 0.5W	6,691,90	754,072,06	95.31%	602,09	403,604,88	93.97%
Lamps for LCD monitors	85,00	754,157,06	95.32%	597,03	404,201,91	94.11%
Batteries CSB for backup power	30,00	754,187,06	95.33%	596,39	404,798,30	94.25%
Items from TME catalogue	3,286,00	757,473,06	95.74%	592,08	405,390,38	94.38%
Torches	28,00	757,501,06	95.75%	541,69	405,932,07	94.51%
Thyristors, semistors	277,00	757,778,06	95.78%	536,58	406,468,65	94.63%
Industry type switches	49,00	757,827,06	95.79%	530,96	406,999,61	94.76%
Fans	113,00	757,940,06	95.80%	526,83	407,526,44	94.88%
Disc type baterries	869,00	758,809,06	95.91%	507,73	408,034,17	95.00%
Batteries Pb	1,415,00	760,224,06	96.09%	492,90	408,527,07	95.11%
Chargers for GSM, PDA, iPad, iPhone, GPS	45,00	760,269,06	96.10%	491,21	409,018,28	95.23%
Automobile antennas	93,00	760,362,06	96.11%	490,49	409,508,77	95.34%
Electrolytic capacitors THT	1,796,00	762,158,06	96.34%	487,80	409,996,57	95.46%
Batteries CSB for backup power, increased efficiency	13,00	762,171,06	96.34%	486,44	410,483,01	95.57%
Power supplies universal DC/DC	9,00	762,180,06	96.34%	474,80	410,957,81	95.68%

Batteries CSB for mobile devices	5,00	762,185,06	96.34%	464,35	411,422,16	95.79%
Car lamps	88,00	762,273,06	96.35%	461,58	411,883,74	95.89%
Other tools	50,00	762,323,06	96.36%	449,90	412,333,64	96.00%
Locks for washing machines	23,00	762,346,06	96.36%	442,48	412,776,12	96.10%
Coils, reactors	3,237,00	765,583,06	96.77%	431,07	413,207,19	96.20%
Voltage regulators	748,00	766,331,06	96.86%	429,39	413,636,58	96.30%
GSM, UMTS, HSDPA, WLAN antennas, connections	8,00	766,339,06	96.86%	415,36	414,051,94	96.40%
Universal power supplies AC/DC	25,00	766,364,06	96.87%	408,99	414,460,93	96.50%
Seal bearings for washing machines	83,00	766,447,06	96.88%	395,86	414,856,79	96.59%
Cable HDMI	31,00	766,478,06	96.88%	388,16	415,244,95	96.68%
TV and F type connectors	1,348,00	767,826,06	97.05%	379,52	415,624,47	96.77%
Connectors crocodile clips	85,00	767,911,06	97.06%	366,06	415,990,53	96.85%
Car fuses	568,00	768,479,06	97.13%	361,32	416,351,85	96.94%
Computer network equipment	36,00	768,515,06	97.14%	358,16	416,710,01	97.02%
Connectors 6.3/3.5 mm	594,00	769,109,06	97.21%	356,52	417,066,53	97.10%
Transformers	31,00	769,140,06	97.22%	342,99	417,409,52	97.18%
Oven parts	23,00	769,163,06	97.22%	342,59	417,752,11	97.26%
Banana type connectors	163,00	769,326,06	97.24%	335,60	418,087,71	97.34%
Resistors 5W	2,972,00	772,298,06	97.62%	310,24	418,397,95	97.41%
LED bulbs and lamps for cars	59,00	772,357,06	97.62%	291,61	418,689,56	97.48%
Connectors DIN, XLR	203,00	772,560,06	97.65%	290,42	418,979,98	97.55%
Soldering tools	77,00	772,637,06	97.66%	280,93	419,260,91	97.61%
Antenna amplifiers	30,00	772,667,06	97.66%	271,57	419,532,48	97.68%
LED 3mm type	1,360,00	774,027,06	97.84%	269,98	419,802,46	97.74%
Valves for washing machines	27,00	774,054,06	97.84%	269,79	420,072,25	97.80%
Tweezers, scalpels	96,00	774,150,06	97.85%	265,32	420,337,57	97.86%
Low voltage power connectors	286,00	774,436,06	97.89%	257,15	420,594,72	97.92%
Fluxes and soldering pastes	34,00	774,470,06	97.89%	256,69	420,851,41	97.98%
IC sockets	142,00	774,612,06	97.91%	256,27	421,107,68	98.04%

Power supplies for LEDs ordered	4,00	774,616,06	97.91%	251,36	421,359,04	98.10%
Common resistor networks, fusible resistors	3,447,00	778,063,06	98.35%	249,44	421,608,48	98.16%
Industry type accumulators	26,00	778,089,06	98.35%	233,15	421,841,63	98.21%
Screwdriver sets	26,00	778,115,06	98.35%	232,93	422,074,56	98.27%
Thermosensors and thermostats for washing machines	19,00	778,134,06	98.35%	230,84	422,305,40	98.32%
Potentiometers	41,00	778,175,06	98.36%	228,02	422,533,42	98.37%
Optocouplers	161,00	778,336,06	98.38%	227,58	422,761,00	98.43%
LED 10-12mm type	800,00	779,136,06	98.48%	219,51	422,980,51	98.48%
Microwave oven parts	29,00	779,165,06	98.49%	217,28	423,197,79	98.53%
Wireless video senders	4,00	779,169,06	98.49%	207,51	423,405,30	98.58%
GSM and PDA batteries	13,00	779,182,06	98.49%	199,86	423,605,16	98.62%
Switchers for washing machines	22,00	779,204,06	98.49%	198,46	423,803,62	98.67%
Resistors 10W	822,00	780,026,06	98.59%	197,23	424,000,85	98.72%
Adaptors for audio/video connectors	507,00	780,533,06	98.66%	195,25	424,196,10	98.76%
Refrigerator parts	35,00	780,568,06	98.66%	190,83	424,386,93	98.81%
Telephone plugs, jacks, transitions	637,00	781,205,06	98.74%	190,18	424,577,11	98.85%
Proximity switches	7,00	781,212,06	98.74%	188,16	424,765,27	98.89%
NiMh, NiCd, Li-ion, Li-poly accumulator chargers	12,00	781,224,06	98.75%	187,46	424,952,73	98.94%
Vacuum cleaner dust bags	34,00	781,258,06	98.75%	187,30	425,140,03	98.98%
Zener diodes	4,336,00	785,594,06	99.30%	182,61	425,322,64	99.02%
Shock absorbers for washing machines	25,00	785,619,06	99.30%	177,18	425,499,82	99.07%
Power connectors, 220VAC	76,00	785,695,06	99.31%	172,14	425,671,96	99.11%
Suitcases, bags	5,00	785,700,06	99.31%	169,08	425,841,04	99.14%
Hoses for washing machines	48,00	785,748,06	99.32%	161,35	426,002,39	99.18%
Items from ELFA catalogue	14,00	785,762,06	99.32%	159,11	426,161,50	99.22%
Connectors USB, HDMI, FireWire	72,00	785,834,06	99.33%	158,10	426,319,60	99.26%
Connectors RCA, SCART	196,00	786,030,06	99.35%	157,85	426,477,45	99.29%
Relays sockets	455,00	786,485,06	99.41%	156,19	426,633,64	99.33%

Electric tools	2,00	786,487,06	99.41%	154,69	426,788,33	99.37%
Data storages and readers	20,00	786,507,06	99.41%	153,30	426,941,63	99.40%
Resistors 0.6W	1,837,80	788,344,86	99.65%	147,24	427,088,87	99.44%
Headphones	14,00	788,358,86	99.65%	147,08	427,235,95	99.47%
High-voltage multipliers	5,00	788,363,86	99.65%	131,43	427,367,38	99.50%
Measurement instruments FLUKE, AMPROBE	1,00	788,364,86	99.65%	121,14	427,488,52	99.53%
Items from USA catalogue	28,00	788,392,86	99.65%	112,20	427,600,72	99.55%
Car radio and amplifiers	5,00	788,397,86	99.65%	110,83	427,711,55	99.58%
Heat sinks	20,00	788,417,86	99.65%	103,05	427,814,60	99.60%
Motors, belts	350,00	788,767,86	99.70%	101,95	427,916,55	99.63%
Diodes	1,357,00	790,124,86	99.87%	98,69	428,015,24	99.65%
Items from NEDIS catalogue	2,00	790,126,86	99.87%	77,02	428,092,26	99.67%
DC motor carbon brushes	15,00	790,141,86	99.87%	76,52	428,168,78	99.69%
Loudspeaker devices	51,00	790,192,86	99.88%	75,21	428,243,99	99.70%
LED 8mm type	236,00	790,428,86	99.91%	72,54	428,316,53	99.72%
Iphone, Ipod accessories	7,00	790,435,86	99.91%	71,14	428,387,67	99.74%
Solid state relays	8,00	790,443,86	99.91%	70,69	428,458,36	99.75%
Cupper wire	3,00	790,446,86	99.91%	67,52	428,525,88	99.77%
Universal remote controls	7,00	790,453,86	99.91%	62,79	428,588,67	99.78%
Glue	70,00	790,523,86	99.92%	55,72	428,644,39	99.80%
Various switches	35,00	790,558,86	99.93%	55,24	428,699,63	99.81%
Clamp meters	3,00	790,561,86	99.93%	55,22	428,754,85	99.82%
Buzzers	26,00	790,587,86	99.93%	54,64	428,809,49	99.84%
Panel meters	3,00	790,590,86	99.93%	51,50	428,860,99	99.85%
Telephone expansion cords	70,00	790,660,86	99.94%	49,43	428,910,42	99.86%
Gramophone styluses	4,00	790,664,86	99.94%	46,61	428,957,03	99.87%
Connecting DC power-supply cables	11,00	790,675,86	99.94%	43,41	429,000,44	99.88%
Connectors for loudspeakers	24,00	790,699,86	99.94%	41,18	429,041,62	99.89%
Slide type switches	97,00	790,796,86	99.96%	37,15	429,078,77	99.90%

Thermistors	58,00	790,854,86	99.96%	35,51	429,114,28	99.91%
Telephone sockets	27,00	790,881,86	99.97%	34,44	429,148,72	99.91%
Measurement instrument wires and accessory	3,00	790,884,86	99.97%	31,81	429,180,53	99.92%
Mechanic parts	5,00	790,889,86	99.97%	31,50	429,212,03	99.93%
LED and LCD displays	20,00	790,909,86	99.97%	31,34	429,243,37	99.94%
Antistatic material, tools	3,00	790,912,86	99.97%	30,98	429,274,35	99.94%
Batteries for GSM	3,00	790,915,86	99.97%	29,95	429,304,30	99.95%
Termofuses	21,00	790,936,86	99.97%	25,89	429,330,19	99.96%
Toggle switches	12,00	790,948,86	99.97%	24,39	429,354,58	99.96%
CD, VHS cleaning accessories	3,00	790,951,86	99.97%	23,10	429,377,68	99.97%
Radio antennas	17,00	790,968,86	99.98%	21,87	429,399,55	99.97%
Tuners	2,00	790,970,86	99.98%	19,87	429,419,42	99.98%
Magnets	6,00	790,976,86	99.98%	19,51	429,438,93	99.98%
GSM hands-free equipment and accessories	4,00	790,980,86	99.98%	15,98	429,454,91	99.99%
Photo accessories	1,00	790,981,86	99.98%	15,40	429,470,31	99.99%
Electrolytic capacitors SMD	111,00	791,092,86	99.99%	15,17	429,485,48	99.99%
Connecting 220V cables	2,00	791,094,86	99.99%	14,17	429,499,65	100.00%
Varistors	53,00	791,147,86	100.00%	9,99	429,509,64	100.00%
Connectors - battery holders	3,00	791,150,86	100.00%	5,80	429,515,44	100.00%

Appendix 7: List of obsolete inventory in 2012

Item group	Quantity	Cumulative LTL	%	Amount	Cumulative LTL	%
Industry type enclosed power supplies	1,028,00	1,028,00	0.14%	28,341,50	28,341,50	5.73%
Power supplies for LEDs	369,00	1,397,00	0.19%	19,325,50	47,667,00	9.64%
Power supplies with DIN mounting	316,00	1,713,00	0.23%	18,588,29	66,255,29	13.40%
Fixed power supplies	1,423,00	3,136,00	0.42%	17,703,34	83,958,63	16.98%
Power supplies for PCs	437,00	3,573,00	0.47%	16,320,04	100,278,67	20.28%
Light for DISCOs	393,23	3,966,23	0.53%	15,714,56	115,993,23	23.45%
Relays coil type	6,758,00	10,724,23	1.42%	11,114,71	127,107,94	25.70%
Soldering irons	469,00	11,193,23	1.48%	10,238,03	137,345,97	27.77%
Industry type power supplies	229,00	11,422,23	1.51%	10,117,36	147,463,33	29.82%
Cables	25,102,44	36,524,67	4.84%	9,891,68	157,355,01	31.82%
Variable power supplies	33,00	36,557,67	4.84%	9,875,37	167,230,38	33.81%
Power supplies with true sine wave	23,00	36,580,67	4.85%	9,602,65	176,833,03	35.75%
Ultrasonic cleaners	21,00	36,601,67	4.85%	9,338,62	186,171,65	37.64%
Solar and wind power supplies	120,00	36,721,67	4.87%	9,131,74	195,303,39	39.49%
Ordered items	765,00	37,486,67	4.97%	8,597,19	203,900,58	41.23%
Power supplies with modified sine wave	15,00	37,501,67	4.97%	8,358,49	212,259,07	42.92%
Switches rockers	4,230,00	41,731,67	5.53%	8,053,64	220,312,71	44.55%
Measurement instruments FLUKE, AMPROBE	21,00	41,752,67	5.53%	7,384,82	227,697,53	46.04%
Industry type open frame power supplies	398,00	42,150,67	5.59%	7,237,83	234,935,36	47.50%
Cylinder type batteries	1,960,00	44,110,67	5.85%	7,043,75	241,979,11	48.93%
Multimeters	317,00	44,427,67	5.89%	6,526,19	248,505,30	50.25%
Integrated circuits	1,393,00	45,820,67	6.07%	6,060,38	254,565,68	51.47%
Universal power supplies	247,00	46,067,67	6.11%	5,976,01	260,541,69	52.68%
Solder alloy	258,00	46,325,67	6.14%	5,845,88	266,387,57	53.86%

Cables for security systems, phones	4,391,21	50,716,88	6.72%	5,729,48	272,117,05	55.02%
Video cameras, video capturing boards	77,00	50,793,88	6.73%	5,651,96	277,769,01	56.16%
Soldering iron tips	750,01	51,543,89	6.83%	5,582,86	283,351,87	57.29%
Fluxes and soldering pastes	1,221,00	52,764,89	6.99%	5,553,66	288,905,53	58.42%
Push button switches	1,439,00	54,203,89	7.18%	5,211,26	294,116,79	59.47%
Soldering pots	21,00	54,224,89	7.19%	5,203,00	299,319,79	60.52%
Resistors SMD 0805	184,512,27	238,737,16	31.64%	5,079,81	304,399,60	61.55%
NiMh, NiCd, Li-ion, Li-poly accumulator chargers	337,00	239,074,16	31.68%	4,685,96	309,085,56	62.50%
LED strips, modules and controllers	3,223,00	242,297,16	32.11%	4,570,28	313,655,84	63.42%
Loudspeakers, speaker systems for cars	55,50	242,352,66	32.12%	4,257,86	317,913,70	64.28%
Stand-alone solar inverter power supplies	3,00	242,355,66	32.12%	4,229,68	322,143,38	65.14%
Electric metering devices and controls	66,00	242,421,66	32.13%	4,081,07	326,224,45	65.96%
Resistors 0.25W	82,846,49	325,268,15	43.11%	3,530,11	329,754,56	66.67%
Transistors	9,407,00	334,675,15	44.35%	3,470,45	333,225,01	67.38%
Electrolytic capacitors THT	3,618,00	338,293,15	44.83%	3,440,41	336,665,42	68.07%
Washing machines control modules	53,00	338,346,15	44.84%	3,402,54	340,067,96	68.76%
Cable terminals, end sleeves	17,042,00	355,388,15	47.10%	3,393,58	343,461,54	69.45%
Other tools	123,00	355,511,15	47.12%	3,316,33	346,777,87	70.12%
Lamps	387,00	355,898,15	47.17%	3,259,77	350,037,64	70.78%
Coaxial cables	6,934,51	362,832,66	48.09%	2,989,26	353,026,90	71.38%
Voltage stabilizers, regulators	122,00	362,954,66	48.10%	2,900,28	355,927,18	71.97%
Environment meters	46,00	363,000,66	48.11%	2,546,95	358,474,13	72.48%
Insulation materials	2,531,05	365,531,71	48.44%	2,510,04	360,984,17	72.99%
Connecting AUDIO, VIDEO cables	467,00	365,998,71	48.51%	2,482,34	363,466,51	73.49%
Enclosures	212,00	366,210,71	48.53%	2,435,93	365,902,44	73.98%
Battery chargers for VIDEO equipment	483,00	366,693,71	48.60%	2,434,66	368,337,10	74.48%
Security systems for accommodation	55,00	366,748,71	48.61%	2,432,59	370,769,69	74.97%
Logical integrated circuits	1,599,00	368,347,71	48.82%	2,387,29	373,156,98	75.45%
Shielded cables	1,891,81	370,239,52	49.07%	2,386,03	375,543,01	75.93%

Pumps and filters for washing machines	86,00	370,325,52	49.08%	2,177,00	377,720,01	76.37%
Resistors 1W	80,778,80	451,104,32	59.78%	2,176,38	379,896,39	76.81%
Low voltage halogen bulbs, lamps	806,00	451,910,32	59.89%	2,029,09	381,925,48	77.22%
Screwdrivers sets	72,00	451,982,32	59.90%	1,967,08	383,892,56	77.62%
Chargers for Pb batteries	54,00	452,036,32	59.91%	1,958,35	385,850,91	78.02%
Toroidal transformers	51,00	452,087,32	59.92%	1,957,15	387,808,06	78.41%
Clamp meters	76,00	452,163,32	59.93%	1,747,87	389,555,93	78.77%
Fans	361,00	452,524,32	59.97%	1,724,87	391,280,80	79.12%
Security systems for cars	65,00	452,589,32	59.98%	1,693,94	392,974,74	79.46%
Items from ASWO catalogue	62,00	452,651,32	59.99%	1,647,30	394,622,04	79.79%
Resistors 2W	44,089,00	496,740,32	65.83%	1,610,93	396,232,97	80.12%
Items from FARNELL catalogue	188,00	496,928,32	65.86%	1,545,45	397,778,42	80.43%
Screwdrivers	189,00	497,117,32	65.88%	1,491,15	399,269,57	80.73%
Laser heads	67,00	497,184,32	65.89%	1,491,08	400,760,65	81.03%
Bearings	228,00	497,412,32	65.92%	1,488,08	402,248,73	81.33%
Oscilloscopes, spectrum analyzers and waveform generators	7,00	497,419,32	65.92%	1,451,48	403,700,21	81.63%
Controls for heating systems	23,00	497,442,32	65.93%	1,444,13	405,144,34	81.92%
Trimmers	2,529,00	499,971,32	66.26%	1,394,66	406,539,00	82.20%
Batteries CSB for mobile devices	12,00	499,983,32	66.26%	1,382,18	407,921,18	82.48%
Ceramic capacitors SMD	93,492,70	593,476,02	78.65%	1,376,80	409,297,98	82.76%
Computer accessories	63,00	593,539,02	78.66%	1,342,96	410,640,94	83.03%
Door gaskets for washing machines	70,00	593,609,02	78.67%	1,342,33	411,983,27	83.30%
Pliers	84,00	593,693,02	78.68%	1,327,21	413,310,48	83.57%
Connecting computer cables	236,00	593,929,02	78.71%	1,322,55	414,633,03	83.84%
Weather stations, clocks and thermometers	35,00	593,964,02	78.72%	1,320,75	415,953,78	84.10%
Heaters for washing machines	68,00	594,032,02	78.73%	1,267,77	417,221,55	84.36%
Belts for washing machines	156,00	594,188,02	78.75%	1,242,62	418,464,17	84.61%
Connectors with crimp contacts	6,311,00	600,499,02	79.58%	1,235,79	419,699,96	84.86%

Items from Velleman catalogue	15,00	600,514,02	79.59%	1,223,51	420,923,47	85.11%
Cable ties	25,591,71	626,105,73	82.98%	1,209,63	422,133,10	85.35%
Ceramic capacitors THT	15,156,00	641,261,73	84.99%	1,174,27	423,307,37	85.59%
TV, DVB-T antennas and holders	45,00	641,306,73	84.99%	1,158,87	424,466,24	85.83%
LED bulbs and lamps for cars	33,00	641,339,73	85.00%	1,150,40	425,616,64	86.06%
RF connectors	840,00	642,179,73	85.11%	1,123,35	426,739,99	86.28%
LED 5mm type	1,950,00	644,129,73	85.37%	1,111,06	427,851,05	86.51%
SMD type LED	4,359,00	648,488,73	85.94%	1,103,95	428,955,00	86.73%
Refrigerator parts	40,00	648,528,73	85.95%	1,101,79	430,056,79	86.96%
Capacitors for motors	581,00	649,109,73	86.03%	1,098,94	431,155,73	87.18%
Items from ELFA catalogue	1,029,00	650,138,73	86.16%	1,095,67	432,251,40	87.40%
Universal NiCd, NiMH accumulators	104,00	650,242,73	86.18%	1,082,90	433,334,30	87.62%
Holders for TV, DVB-T satellite receivers	41,00	650,283,73	86.18%	1,072,20	434,406,50	87.84%
Terminal blocks	1,018,00	651,301,73	86.32%	1,068,09	435,474,59	88.05%
Lamps for LCD monitors	146,00	651,447,73	86.34%	1,051,81	436,526,40	88.26%
Various measurement devices	48,00	651,495,73	86.34%	1,030,53	437,556,93	88.47%
Fuses and fuseholders	9,787,00	661,282,73	87.64%	1,022,59	438,579,52	88.68%
Parking systems for cars	19,00	661,301,73	87.64%	1,015,54	439,595,06	88.88%
Heaters for ovens	44,00	661,345,73	87.65%	1,010,51	440,605,57	89.09%
Connectors DB, DVI, VGA, IDC	2,196,00	663,541,73	87.94%	995,69	441,601,26	89.29%
Audio amplifiers, panels, filters	6,00	663,547,73	87.94%	986,15	442,587,41	89.49%
Automobile antennas	87,00	663,634,73	87.95%	964,25	443,551,66	89.68%
Car radio and amplifiers	27,00	663,661,73	87.96%	959,68	444,511,34	89.88%
Connection cables ISO for car radio	237,00	663,898,73	87.99%	950,01	445,461,35	90.07%
Speakers	17,00	663,915,73	87.99%	934,50	446,395,85	90.26%
Remote controls COM	64,00	663,979,73	88.00%	930,81	447,326,66	90.45%
Industry type switches	68,00	664,047,73	88.01%	914,14	448,240,80	90.63%
Oven parts	48,00	664,095,73	88.01%	902,74	449,143,54	90.81%
Cable clamps, markers	29,408,00	693,503,73	91.91%	868,58	450,012,12	90.99%

Radio transceivers	27,00	693,530,73	91.91%	828,22	450,840,34	91.16%
GPS equipment	9,00	693,539,73	91.92%	825,58	451,665,92	91.32%
Connection cables for car radio	49,00	693,588,73	91.92%	825,15	452,491,07	91.49%
Cables for computer network	972,00	694,560,73	92.05%	822,08	453,313,15	91.66%
Transformers	60,00	694,620,73	92.06%	815,79	454,128,94	91.82%
Loudspeakers	20,00	694,640,73	92.06%	793,39	454,922,33	91.98%
Programmers and accessories	5,00	694,645,73	92.06%	792,74	455,715,07	92.14%
Door handles, folds and glass for washing machines	104,00	694,749,73	92.08%	786,73	456,501,80	92.30%
Connecting RF cables	406,00	695,155,73	92.13%	778,79	457,280,59	92.46%
Magnifying glasses	151,00	695,306,73	92.15%	776,99	458,057,58	92.62%
Chargers for GSM, PDA, iPad, iPhone, GPS	80,00	695,386,73	92.16%	771,04	458,828,62	92.77%
Original and analog remote controls	204,00	695,590,73	92.19%	771,00	459,599,62	92.93%
Electrolytic capacitors SMD	2,311,00	697,901,73	92.49%	756,66	460,356,28	93.08%
Batteries Pb	812,00	698,713,73	92.60%	754,40	461,110,68	93.23%
Crimping pliers	30,00	698,743,73	92.60%	733,80	461,844,48	93.38%
Connectors HIROSE	113,00	698,856,73	92.62%	706,59	462,551,07	93.53%
Diodes	6,427,00	705,283,73	93.47%	705,94	463,257,01	93.67%
Resonators	3,404,00	708,687,73	93.92%	688,36	463,945,37	93.81%
Valves for washing machines	125,00	708,812,73	93.94%	674,03	464,619,40	93.94%
Video camera batteries	29,00	708,841,73	93.94%	665,91	465,285,31	94.08%
Film capacitors	2,957,00	711,798,73	94.33%	657,66	465,942,97	94.21%
High power LED	724,00	712,522,73	94.43%	656,57	466,599,54	94.34%
Batteries CSB for backup power	13,00	712,535,73	94.43%	637,64	467,237,18	94.47%
Hot air soldering equipment	5,00	712,540,73	94.43%	635,22	467,872,40	94.60%
Wireless video senders	10,00	712,550,73	94.43%	631,22	468,503,62	94.73%
Element collection sets - constructors	13,00	712,563,73	94.44%	626,40	469,130,02	94.86%
Taps, sockets for RF signal	135,00	712,698,73	94.45%	615,42	469,745,44	94.98%
Locks for washing machines	48,00	712,746,73	94.46%	614,79	470,360,23	95.10%
Measurement devices for cars, connectors	16,00	712,762,73	94.46%	607,80	470,968,03	95.23%

Universal power supplies DC/DC	13,00	712,775,73	94.46%	595,08	471,563,11	95.35%
Low voltage lamps	4,404,90	717,180,63	95.05%	595,02	472,158,13	95.47%
Tweezers, scalpels	212,00	717,392,63	95.08%	582,96	472,741,09	95.59%
UPS uninterruptible power supplies	2,00	717,394,63	95.08%	580,79	473,321,88	95.70%
Chemical materials	50,00	717,444,63	95.08%	576,63	473,898,51	95.82%
Resistors 0.5W	5,435,10	722,879,73	95.80%	576,58	474,475,09	95.94%
Glue	742,00	723,621,73	95.90%	563,29	475,038,38	96.05%
Seal bearings for washing machines	126,00	723,747,73	95.92%	562,52	475,600,90	96.16%
Items from TME catalogue	1,996,00	725,743,73	96.18%	556,73	476,157,63	96.28%
Thyristors, semistors	282,00	726,025,73	96.22%	536,29	476,693,92	96.39%
Universal remote controls	34,00	726,059,73	96.22%	502,60	477,196,52	96.49%
Holders for car radio	51,00	726,110,73	96.23%	498,75	477,695,27	96.59%
Controllers	16,00	726,126,73	96.23%	496,95	478,192,22	96.69%
Low voltage power connectors	370,00	726,496,73	96.28%	496,53	478,688,75	96.79%
Torches	28,00	726,524,73	96.29%	490,02	479,178,77	96.89%
Thermosensors and thermostats for washing machines	51,00	726,575,73	96.29%	486,44	479,665,21	96.99%
TV sets, monitors	3,00	726,578,73	96.29%	469,34	480,134,55	97.08%
Rectifier bridges	37,00	726,615,73	96.30%	468,38	480,602,93	97.18%
Connecting DC power-supply cables	306,00	726,921,73	96.34%	462,52	481,065,45	97.27%
Various household equipment parts	52,00	726,973,73	96.35%	460,70	481,526,15	97.36%
Industry type accumulators	41,00	727,014,73	96.35%	453,09	481,979,24	97.45%
LED 3mm type	1,863,00	728,877,73	96.60%	389,59	482,368,83	97.53%
Panel meters	29,00	728,906,73	96.60%	350,63	482,719,46	97.60%
Zener diodes	8,813,00	737,719,73	97.77%	347,37	483,066,83	97.67%
Voltage regulators	591,00	738,310,73	97.85%	342,36	483,409,19	97.74%
Cables HDMI	37,00	738,347,73	97.85%	331,31	483,740,50	97.81%
Headphones	13,00	738,360,73	97.86%	322,35	484,062,85	97.88%
IC sockets	358,00	738,718,73	97.90%	321,24	484,384,09	97.94%
Disc type batteries	542,00	739,260,73	97.97%	320,59	484,704,68	98.01%

Potentiometers	207,00	739,467,73	98.00%	318,22	485,022,90	98.07%
Car lamps	119,00	739,586,73	98.02%	313,06	485,335,96	98.13%
Printed boards	199,00	739,785,73	98.04%	293,62	485,629,58	98.19%
Heat sinks	101,00	739,886,73	98.06%	291,30	485,920,88	98.25%
Microwave oven parts	45,00	739,931,73	98.06%	289,68	486,210,56	98.31%
TV and F type connectors	909,00	740,840,73	98.18%	270,71	486,481,27	98.36%
LED lamps	19,00	740,859,73	98.19%	270,17	486,751,44	98.42%
Common resistor networks, fusible resistors	3,643,00	744,502,73	98.67%	266,03	487,017,47	98.47%
Hoses for washing machines	43,00	744,545,73	98.67%	264,77	487,282,24	98.53%
Data storages and readers	24,00	744,569,73	98.68%	256,30	487,538,54	98.58%
Connectors 6.3/3.5 mm	167,00	744,736,73	98.70%	252,10	487,790,64	98.63%
Resistors 5W	2,340,00	747,076,73	99.01%	249,30	488,039,94	98.68%
Power connectors 230VAC	152,00	747,228,73	99.03%	245,30	488,285,24	98.73%
Shock absorbers for washing machines	28,00	747,256,73	99.03%	243,78	488,529,02	98.78%
Banana type connectors	120,00	747,376,73	99.05%	233,88	488,762,90	98.83%
High-voltage transformers	8,00	747,384,73	99.05%	228,71	488,991,61	98.87%
Coils, reactors	1,737,00	749,121,73	99.28%	213,62	489,205,23	98.92%
GSM and PDA batteries	17,00	749,138,73	99.28%	211,55	489,416,78	98.96%
Optocouplers	133,00	749,271,73	99.30%	193,61	489,610,39	99.00%
Connectors DIN, XLR	128,00	749,399,73	99.32%	186,18	489,796,57	99.03%
Switchers for washing machines	29,00	749,428,73	99.32%	183,30	489,979,87	99.07%
Items from Schukat catalogue	260,00	749,688,73	99.36%	182,97	490,162,84	99.11%
Iphone, Ipod accessories	16,00	749,704,73	99.36%	169,15	490,331,99	99.14%
Gramophone styluses	14,00	749,718,73	99.36%	166,98	490,498,97	99.18%
Connectors RCA, SCART	66,00	749,784,73	99.37%	166,29	490,665,26	99.21%
Proximity switches	10,00	749,794,73	99.37%	163,68	490,828,94	99.24%
Vacuum cleaner dust bags	41,00	749,835,73	99.38%	162,94	490,991,88	99.28%
Loudspeaker devices	34,00	749,869,73	99.38%	154,57	491,146,45	99.31%
Adaptors for audio/video connectors	53,00	749,922,73	99.39%	151,76	491,298,21	99.34%

Resistors 10W	560,00	750,482,73	99.46%	150,96	491,449,17	99.37%
Connectors USB, HDMI, FireWire	81,00	750,563,73	99.47%	148,79	491,597,96	99.40%
Resistors 0.6W	1,232,60	751,796,33	99.64%	144,12	491,742,08	99.43%
LED 10-12mm type	556,00	752,352,33	99.71%	140,05	491,882,13	99.46%
Antenna amplifiers	26,00	752,378,33	99.71%	136,49	492,018,62	99.48%
Power supplies for LEDs ordered	2,00	752,380,33	99.71%	125,68	492,144,30	99.51%
Car fuses	471,00	752,851,33	99.78%	120,02	492,264,32	99.53%
Electric tools	21,00	752,872,33	99.78%	118,29	492,382,61	99.56%
Soldering tools	41,00	752,913,33	99.78%	115,37	492,497,98	99.58%
Vacuum cleaner parts	10,00	752,923,33	99.79%	115,25	492,613,23	99.60%
Batteries for GSM	11,00	752,934,33	99.79%	102,98	492,716,21	99.63%
Microphones	16,00	752,950,33	99.79%	99,45	492,815,66	99.65%
Motors, belts	291,00	753,241,33	99.83%	90,88	492,906,54	99.66%
Isolation transformers	2,00	753,243,33	99.83%	85,22	492,991,76	99.68%
Telephone plugs, jacks, transitions	314,00	753,557,33	99.87%	84,65	493,076,41	99.70%
Termofuses	25,00	753,582,33	99.87%	82,75	493,159,16	99.71%
Telephone sockets	26,00	753,608,33	99.88%	82,74	493,241,90	99.73%
LED and LCD displays	192,00	753,800,33	99.90%	80,56	493,322,46	99.75%
Measurement instrument wires and accessory	12,00	753,812,33	99.90%	79,97	493,402,43	99.76%
Computer network equipment	4,00	753,816,33	99.90%	76,77	493,479,20	99.78%
Items from USA catalogue	6,00	753,822,33	99.90%	73,95	493,553,15	99.79%
Antistatic material, tools	8,00	753,830,33	99.91%	72,52	493,625,67	99.81%
Connectors for loudspeakers	33,00	753,863,33	99.91%	68,82	493,694,49	99.82%
GSM Hands-free equipment and accessories	1,00	753,864,33	99.91%	65,25	493,759,74	99.84%
LED 8mm type	242,00	754,106,33	99.94%	63,39	493,823,13	99.85%
Connection cables for LAN	40,00	754,146,33	99.95%	62,93	493,886,06	99.86%
DC motor carbon brushes	13,00	754,159,33	99.95%	62,43	493,948,49	99.87%
Batteries CSB for backup power, increased efficiency	1,00	754,160,33	99.95%	56,27	494,004,76	99.89%
Connectors crocodile clips	18,00	754,178,33	99.95%	55,53	494,060,29	99.90%

Various switches	58,00	754,236,33	99.96%	53,43	494,113,72	99.91%
Cupper vire	2,00	754,238,33	99.96%	47,37	494,161,09	99.92%
Relays sockets	104,00	754,342,33	99.97%	44,88	494,205,97	99.93%
Solid state relays	2,00	754,344,33	99.97%	39,12	494,245,09	99.93%
Photo accessories	1,00	754,345,33	99.97%	38,09	494,283,18	99.94%
Radio antennas	6,00	754,351,33	99.97%	36,08	494,319,26	99.95%
Automation for gates	2,00	754,353,33	99.97%	35,59	494,354,85	99.96%
Connecting 230V cables	3,00	754,356,33	99.98%	34,11	494,388,96	99.96%
GSM, UMTS, HSDPA, WLAN antennas, connections	2,00	754,358,33	99.98%	33,85	494,422,81	99.97%
Optical wires with connectors	1,00	754,359,33	99.98%	30,04	494,452,85	99.98%
Thermistors	51,00	754,410,33	99.98%	28,47	494,481,32	99.98%
Slide type switches	64,00	754,474,33	99.99%	26,67	494,507,99	99.99%
Telephone expansion cords	36,00	754,510,33	100.00%	25,55	494,533,54	99.99%
ISO and audio connectors for cars systems	6,00	754,516,33	100.00%	9,86	494,543,40	99.99%
Toggle switches	7,00	754,523,33	100.00%	8,99	494,552,39	100.00%
Suitcases, bags	1,00	754,524,33	100.00%	5,88	494,558,27	100.00%
Connectors - battery holders	2,00	754,526,33	100.00%	4,30	494,562,57	100.00%
Mechanic parts	6,00	754,532,33	100.00%	3,59	494,566,16	100.00%
Buzzers	2,00	754,534,33	100.00%	3,36	494,569,52	100.00%
Varistors	10,00	754,544,33	100.00%	0,99	494,570,51	100.00%