# Make Haste or Waste: A Case Study on Predicting Bankruptcy of Weyst Oyl Corporation Using Altman's Z-Score Model

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The motivation for research in corporate bankruptcy prediction is clear: the early detection of financial distress and the use of corrective measures are preferable to filing for protection under the bankruptcy law. This study analyzes if the application of Altman's Z-score model will send a danger signal to the company management and contribute to the improvement of Weyst Oyl Corporation's financial status. A used oil treating company established in 1978, Weyst Oyl Corporation, which has consistently been operating profitably for 17 years since its formation, decided in 1996 to acquire machinery which would increase plant capacity. It did so without analyzing the environment and implications on cash flows and possible bankruptcy. This study includes an assessment of the company's current financial health through the use of Altman's Z-Score model. Some strategies are recommended to the company management to help improve its current financial status.

Keywords: Bankruptcy prediction, Altman's Z-score model, financial ratio analysis

# INTRODUCTION

This study was done to help the management of Weyst Oyl Corporation (the real names of the company and of the company president are withheld at their request) to determine the causes of the company's recent poor financial status and whether it will be in financial distress in the next few years. This study also recommends possible solutions to improve company performance through the use of Altman's Z-Score model.

The objectives of this study are: (1) to determine if Weyst Oyl Corporation is currently in financial distress; (2) to determine the company's current financial status using Altman's Z-Score model and financial ratio analysis; (3) to assess the company management's plant expansion decision; (4) to identify strategies that the company can apply to improve its financial status; and (5) to come up with recommendations to the management to improve the company's financial status.

#### THE CONCEPT OF CORPORATE FAILURE

The incidence of business failure is increasing. In the United States with statistics showing that more than 300 companies go out of business every week. The high rate of bankruptcy is attributed to the combined effect of fiercer competition in the marketplace and heavier debt burdens carried by companies (Eidleman, 1995). The motivation for research in corporate bankruptcy prediction is clear. The early detection of financial distress and the use of corrective measures are preferable to seeking protection under the bankruptcy law. However, it appears that there is still substantial disagreement over the most suitable methodology and substantial scope for model development (Aziz & Dar, 2006).

Corporate bankruptcy procedures encourage companies in financial difficulty to continue as going-concerns. The link between going-concern and bankruptcy is recognized in accounting literature. Due to the perceived expectations gap between auditors and users who place greater responsibility on the auditor for disclosing goingconcern uncertainties, statistical corporate failure models are seen as a tool that could assist auditors in making more accurate going concern judgments (Kuruppu, Laswad, & Oyelere, 2003).

### **Definitions of Corporate Failure**

The most common definition of corporate failure used in prior accounting research is filing for bankruptcy (Kuruppu et al., 2003). Partington (2001) defined corporate failure as financial distress, which occurs when asset values shrink below the level of liabilities and/or when a company can no longer obtain sufficient cash to meet payments as they fall due. Bandyopadhyay (2006) used the term corporate insolvency, which is indicated either by fall in the asset value or due to liquidity shortage. Other definitions of corporate failure include large losses disproportionate to assets, stock exchange delisting, companies in the process of liquidation or receivership, failure to pay annual listing fees, negative stock returns, and the receipt of a going-concern qualification (Kuruppu et al., 2003).

The usual sign that point to a company weakening is its problems with cash flow. These problems can be attributed to certain causes, such as the presence of the right people in the right places, and management's misalignment with organization's philosophy and goals (*Can crisis consultants cut it?*, 2005). Therefore, it is expected that the ratios that reflect cash flow structure and movement of market value of firm's asset are going to be different among defaulted and solvent firms (Bandyopadhyay, 2006).

Surprisingly, good ratios for a failing firm may stem from the so-called creative accounting caused by various management incentives to manipulate accounting data in order to improve economic figures in a failing firm. Partington (2001) believes that the inconsistency may be caused by external factors (e.g. economic conditions, business costs, and new business formations), which affect the consistency between the ratios and the actual status of the firm. Laitinen and Laitinen (1998) concluded that the presence of firm-specific factors (e.g. the size and industry of a firm, that is, firms in different industries or size groups) may have different acceptable levels of financial ratios. Other firmspecific factors include profitability and funds flow, financial leverage and interest, liquidity, market to assets ratio, and market value and firm size (Partington, 2001).

#### **Bankruptcy Prediction Models**

The ability of corporate failure models to provide objective evidence for making a goingconcern judgment is recognized by accounting practitioners (Kuruppu et al., 2003). Cybinski (2001) indicated that a number of models used in bankruptcy studies to date arise from two basic model designs: (1) cross-sectional studies that compare healthy and distressed firms; and (2) time-series formulations that study the path to failure of distressed firms only. Many of the newer studies are concerned with explanation rather than prediction; and their study designs are focused on process, rather than outcome.

Smith (2006) pointed out that the preoccupation with formulating accurate failure prediction models has resulted in existing models producing very few Type I errors, or incorrectly classifying firms facing imminent bankruptcy as being financially healthy. Failure prediction models are often designed to minimize Type I errors as these are more costly from a creditor's perspective. As a consequence, these models produce a relatively high number of Type II errors

(i.e. incorrectly classifying financially-distressed firms with recovery potential as failure candidates). By classifying firms at some time prior to the bankruptcy event, one is then making a classification of failing firms, rather than of firms that have already failed. If the failure process is dynamic, then a firm may be able to enter the failing state, yet avoid the final failed state.

Researchers testing the usefulness of accounting information in predicting financial distress have used many different responses as proxies for financial distress. A major problem in bankruptcy research is that the nature of the dependent variable, failure, is not well-defined, as it should be for the modeling techniques that have traditionally been used to analyze it (Cybinski, 2001). The variables to be included in bankruptcy prediction models should be able to relate the cash flow properties in combination with debt obligations and movement in the firm's asset value. Non-financial variables such as age of firm, group ownership, and ISO quality certification are also to be used (Bandyopadhyay, 2006). Traditionally, the variables used to predict financial distress include those that measure the value of assets relative to liabilities; the company's potential to generate cash and operate profitably; and its ability to meet its financial commitments (Partington, 2001). In most previous studies, total assets or sales values one year prior to bankruptcy are used as size proxies. However, sales and asset values may have deteriorated long before the decision of the board, making it difficult to match firms on the basis of asset or sales values one year prior to failure (Ugurlu, 2006).

## Altman's Z-Score Model

There has been an explosion of research studies used to predict business failure in different markets. The use of financial ratios in discrimination of failing and non-failing firms started in 1930s. Aziz and Dar (2006) stressed that more than 60 percent of bankruptcy research studies used financial ratios, which measure liquidity, solvency, leverage, profitability, asset composition, and firm size and growth, as the only explanatory variables. This reveals a marked reliance on information from company accounts, with only marginal use made of other information.

The pioneering work of Beaver in 1966 and Altman in 1968 developed the first bankruptcy prediction models using univariate and multivariate approaches, respectively, from U.S. company data. (Kuruppu et al., 2003)

In 1966, Beaver presented the univariate analysis, which set the stage for the multivariate attempts that followed. Beaver's study. It suggested that financial ratios could be useful in the prediction of failure for at least five years prior to failure. Beaver extended his earlier work and also developed a Z-Score model by using multivariate analysis in 1968 to examine the differences in the predictive ability of the ratios, indicating that nonliquid asset measures predict failure better than liquid asset measures (Ugurlu, 2006).

Also in 1968, Edward I. Altman developed his classic multiple discriminant analysis (MDA) for 66 publicly-traded manufacturing firms in the U.S. The discriminant ratio model, more popularly known as the Z-Score model, proved that bankruptcy could be accurately predicted up to two years prior to actual failure, with the accuracy diminishing rapidly after the second year. This model has proven to be a reliable tool for bankruptcy forecasting in a wide variety of contexts and markets. In the original Z-Score formula for predicting bankruptcy, Altman employed financial ratios as predictors of a company's financial health. These are (1) working capital/total assets ratio; (2) retained earnings/total assets ratio; (3) earnings before interest and taxes/total assets ratio; (4) market value of equity/book value of total debt ratio; and (5) sales/total assets ratio (Bandyopadhyay, 2006).

Altman's Z-Score model has been one of the most popular bankruptcy prediction models developed to date. In fact, Eidelman (1995) indicated that auditors and management consultants advocate the use of Z-Scores for several reasons: (1) they are more precise and lead to clearer conclusions than a mass of contradictory ratios; (2) they are uniform and leave less room for inaccuracies of judgment that some individuals possess; (3) their reliability can be evaluated statistically, since they are based on past experience rather than on someone's unverified opinion; (4) they are faster and less costly to work with than traditional tools; and (5) they can weed out the two extremes of the spectrum in an economical fashion.

In 1974, Altman and McGough first suggested the usefulness of bankruptcy prediction models for assessing company going-concern status. Altman and McGough found that their model was 82 percent successful in predicting bankruptcy filings when compared with auditors' goingconcern assessment of 46 percent accuracy. This would assist the accounting profession in reducing the public's expectations gap of the profession, and in increasing the public's confidence in the audit function (Kuruppu et al., 2003).

In a 1977 study, Altman, Haldeman, and Narayanan reworked the Z-Score model and included a number of refinements in the utilization of MDA, as well as in the computation of financial ratios, to incorporate: the effects of the changes in size and financial profile of business failures; changes in financial reporting standards; and the advances and controversial aspects of discriminant analysis. The new model, ZETA, was effective in classifying bankrupt companies up to five years prior to failure on a sample of corporations consisting of manufacturers and retailers. The model helps auditors in forming more accurate assessments of clients' goingconcern status; and thereby helps reduce the costs associated with inappropriate audit opinions such as litigation from shareholders, loss of clients, and loss of professional reputation (Kuruppu et al., 2003).

Subsequently, in an Altman et al. study in 1995, the Z-Score model was modified to fit emerging market corporations. sales/total assets ratio was dropped, while book value of equity was used for the fourth and final variable (Bandyopadhyay, 2006).

#### THE INDUSTRY

Waste treatment is a big business and it is getting bigger all the time. Regulations, public concern, and increased industrial commitment to a clean environment have created a multi-billion peso business in waste treatment. The imperative is simple: process less waste and clean up the mess of the past. However, the rapid pace of population growth, urbanization, and industrialization is intensifying environmental problems for every sector of the waste management service industry. Wastes are not adequately treated and are either illegally discarded in water channels or disposed in open dumps. Exacerbated by lack of pollution controls, air pollution continues to be a major public health concern. In the water sector, almost onehalf of the Philippines' 400 rivers are characterized as biologically dead due to contamination from inadequate sewerage and drainage infrastructure. In addition, the lack of a central hazardous waste treatment facility is a major obstacle to the proper disposal of toxic and hazardous waste.

The Environmental Management Bureau (EMB) of the Department of Environment and Natural Resources (DENR) claims that about 60 percent of the total volume of hazardous wastes is recycled. Those recycled include waste/used oil, solvents, and inorganic sludge containing valuable metals. The other 40 percent that require special processes for detoxification and disposal are unaccounted for.

The Japanese International Cooperation Agency (JICA) report, "The Study on Hazardous Waste Management in the Republic of the Philippines," estimates that about 2.4 million metric tons of hazardous wastes are being generated each year. Of this amount, about 78 percent is accounted for by the National Capital Region, Southern Tagalog, Central Visayas, and Central Luzon.

Metro Manila currently generates 11,135 tons of solid waste per day. Of an estimated 5,500 tons of domestic solid waste per day, about 15 percent or 817 tons end up on river banks, vacant lots and streets, and in bays and storm drains. Of an estimated 4.6 tons per day of hospital waste, 92 percent is being disposed of together with residential waste. The country's major cities outside Metro Manila, on the other hand, generate about 10,400 tons of solid waste daily. About two-thirds are collected and only 2,600 tons or 16 percent is actually deposited in controlled landfills. The lack of proper disposal sites and inadequate collection equipment make it increasingly difficult to maintain sanitary urban conditions.

Metro Manila's waste is highly organic and recyclable. Forty-nine percent of this is biodegradable, which indicates that it could be used as compost. There is also a great potential for recycling, as 42 percent of the waste is made of recyclable items such as paper, plastic and metal.

Until now, programs to promote cleaner production in the industry have focused on technical training and information networking. The barriers to cleaner production implementation include: the poor attitude of managers; the perception that cleaner production comes at a higher cost; low support by the private sector; and lack of awareness, commitment, and implementation. Moreover, no visible industry-wide thrust exists for clean technology and environmental management except for ISO 14000.

A list of recent industry averages can be found in Table 1.

## Table 1

Ratio	Industry Results
Valuation Ratios	
P/E (ttm)	27.1
P/Sales (ttm)	2.2
P/Book (mrq)	4.0
P/Cash Flow (mrq)	13.3
Profitability Ratios (ttm)	
Gross Margin (%)	37.0
Operating Margin (%)	16.5
Net Profit Margin (%)	12.2
Financial Strength (mrq)	
Quick Ratio	0.0
Current Ratio	0.1
LT Debt/Equity	124.8
Total Debt/Equity	133.2
Management Effectiveness (ttm)	
Return on Investment (%)	6.5
Return on Assets (%)	5.3
Return on Equity (%)	15.8

# Waste Management Services Industry Averages

Source: www.investor.reuters.com

#### THE COMPANY

Weyst Oyl Corporation, a multi-hundred million peso firm, was formally organized on 11 January

1978. The company's purpose is to engage in rerefining of used/waste oil, as well as to sell and license re-refining technology, including the packaging of a wholly-automated skid mounted model of its own lubricating oil and asphalt processing facilities, for domestic and foreign markets.

The company's "Zero Waste" (ZW) recycling/ re-refining plant sits on a 10,000 square meter lot located in Bagbaguin, Caloocan City. It is unique in the Philippines and, so far, in 72 countries around the world where the process has been patented. The firm gets its raw materials for the ZW process primarily from domestic sources, namely, the automotive sector and the industrial sector. The dirty used oil is re-refined into motor oil, a lubricant comparable to virgin oil, while the residue is processed into highgrade asphalt.

Every single drop of the hazardous waste can be recycled into motor oil and into high-grade lubricant. The acidic residue, the most toxic portion of the raw material classified as waste under the Meinken system (which uses the conventional acid clay method of re-refining), is re-refined into asphalt that has passed the rigid toxicity standard test known as Toxicity Concentration Leaching Procedure. This test is required by the U.S. Environmental Protection Agency to obtain hazard-free utility and to gain acceptability in global and local markets where environmental anti-pollution laws are strictly observed.

Weyst Oyl Corporation had been operating profitably for the past 17 years since it started. This prompted company President, Engr. Benjie S. Santiago, to expand the plant in 1996 through the purchase of additional machinery worth approximately P100 million. Since the company did not have enough cash, it entered into both short-term and long-term loan agreements with several banking institutions. Appendix A and Appendix B present significant three-year financial information before and after the plant expansion.

### **APPLYING ALTMAN'S Z-SCORE MODEL**

The Z-Score model, developed by financial economist Dr. Edward I. Altman in 1968, is a powerful diagnostic tool that forecasts the probability of a company entering bankruptcy within a two-year period. The Z-Score bankruptcy predictor combines four common financial ratios, using a weighting system calculated by Altman to determine the likelihood of a company going bankrupt. Table 2 shows the four ratios.

Ratio Names	Description/Formula	Coefficient
X1	Working Capital / Total Assets	6.56
X2	Retained Earnings / Total Assets	3.26
X3	EBIT / Total Assets	6.72
X4	Net Worth / Total Liabilities	1.05
Cut-off Values		
Safe if greater than:		2.60
Bankrupt if less than:		1.10
Overall Formula	Z-Score = 6.56 (X1) + 3.26 (X2) + 6.72 (X3) + 1.05 (X4)	

Table 2	
Altman's Z-Score Mod	el

## Financial Ratio Analysis

Financial ratio analysis is an important tool to assess the financial condition and performance of a firm. It provides managers with important insights regarding: overhead cost structure, ability to raise capital, adequacy of working capital and contingency reserves, and efficient use of assets through the evaluation of a set of financial ratios, observations of trends in those ratios, and comparisons to average values for other companies in the industry. It can be a productive starting point for assessing financial strengths and weaknesses, creditworthiness, and other attributes of a firm based on past performance. The four basic categories of financial ratios are: liquidity ratios, leverage ratios, activity ratios, and profitability ratios.

A firm's liquidity ratios provide measures of its capacity to meet its short-term financial obligations. A firm's leverage ratios provide an indication of the relative proportion of its debt to its equity or financial risk. A firm's activity ratios reflect whether or not it is using its resources efficiently. A firm's profitability ratios provide information regarding its overall economic performance. Table 3 shows the financial ratios of Weyst Oyl Corporation before and after the plant expansion.

	AFT	ER Plant Expa	nsion	BEFC	ORE Plant Exp	ansion
	2005	2004	2003	1995	1994	1993
Liquidity Ratios:						
Current Ratio	3.71:1	0.86:1	0.95:1	0.53:1	0.31:1	0.20:1
Quick Ratio	3.16:1	0.33:1	0.23:1	0.32:1	0.19:1	0.13:1
Activity Ratios:						
Inventory Turnover	4.1x	7.3x	5.5x	6.1x	9.6x	10.6x
Average	37 days	8 days	20 days	54 days	43 days	39 days
Collection Period						
Total Asset Turnover	0.12x	0.19x	0.20x	0.27x	0.23x	0.20x
Fixed Asset Turnover	0.16x	0.21x	0.22x	0.30x	0.24x	0.21x
Leverage Ratios:						
Debt Ratio	0.67:1	0.60:1	0.60:1	0.45:1	0.48:1	0.51:1
Debt on Equity	5.66:1	4.28:1	4.18:1	2.21:1	2.46:1	2.83:1
Profitability Ratios:						
Profit Margin	0.5%	2.6%	2.1%	3.0%	2.5%	2.8%
Return on Assets	0.1%	0.5%	0.4%	0.8%	0.6%	0.6%
Return on Equity	0.5%	3.6%	3.0%	3.9%	3.0%	3.0%

Table 3Financial Ratios for the Years 1993-1995 and 2003-2005

## Findings

Using the ratios in Table 3, the application of the Z-Score model on Weyst Oyl Corporation is shown below.

It can be observed that Weyst Oyl Corporation can be considered bankrupt as far back as 1993 (even before the plant expansion); but it was still able to survive up to the present time. In 2005, the company's financial health was between bankrupt and safe. This means that the management cannot simply base its decision-making on profitability alone as the company was always earning in the six years included in this study. Nevertheless, the company was assessed to be bankrupt during five out of the six years. A possible explanation is that in all the six years, the company's liabilities remained very large, and in all the years except 2005, total current assets were less than total current liabilities. This indicates that the company is insolvent.

Ratios	AFTE	ER Plant Exp	ansion	BEFO	RE Plant Exj	pansion
Natios	2005	2004	2003	1995	1994	1993
X1	0.15	-0.007	-0.003	-0.09	-0.14	-0.19
X2	0.06	0.07	0.07	0.09	0.08	0.07
X3	0.01	0.02	0.02	0.02	0.02	0.02
X4	0.50	0.66	0.67	1.24	1.10	0.95
<b>Overall Score</b>	1.77	1.01	1.05	1.14	0.63	0.11

# Table 4Application of the Z-Score Model

So, does this mean that Altman's Z-Score model is not a good predictor of bankruptcy even though the company has managed to survive up to the present? No, because the company is actually insolvent, as is correctly determined by the Z-Score model. It was able to survive present due to its strategy of borrowing from other banks when interest and loan payments are nearly due. This strategy, however, will not sustain the company in the next few years if management does not have any good and ethically-sound plans for the future. Starting from the basics, the company can transform its financial status from insolvent to solvent by doing the following: (1) collect receivables; (2) sell its merchandise; or (3) sell its fixed assets.

What then is the effect of management's decision on plant expansion on its current financial status? The plant expansion created a

bigger amount of long-term debt for the company, which further weakened the company's financial status. It is evident in the hasty management decision to acquire the capital-intensive machinery that techniques such as the Z-Score model were not applied. The management failed to look at the company's environment to predict future market demands and prepare for potential industry threats and opportunities. The only basis for the plant expansion was company profitability.

When the market demand for the company's products decreased, the newly-acquired company machinery became idle, while the old machinery was not operating at its full capacity. In short, the new investment increased the costs and expenses of the company without contributing anything to the company's revenues or productivity.

# CONCLUSION

The management of Weyst Oyl Corporation failed to take into consideration financial information other than profitability, and quickly made the decision to expand. If Weyst Oyl was able to compute for its Z-Scores as well as analyze its environment, there might have been a different scenario for the company.

Altman's Z-Score model is a useful tool in assessing the current financial health of the company. For which reason it is better for the company to regularly calculate for its Z-Scores so as to make management aware of the potential risks the company would be facing, and therefore enable it to properly plan its next strategies.

# RECOMMENDATIONS

After analyzing the problem at hand, the following are being recommended to the management of Weyst Oyl Corporation:

- 1. Apply techniques, such as the Z-Score model, before any major decision is made.
- 2. Refer to industry best practices to come up with high-quality products. In particular, the company should apply to the company's operations the Plan-Do-Study-Act cycle of the continuous improvement and learning. This involves: (a) focusing on becoming the market leader in the solid waste management sector of the industry by 2012; (b) putting posters of the company's vision-mission in the plant site; (c) translating the company's vision-mission into the operations department's own vision-mission, that is, by balancing quality and cost reductions; (d) the management setting a limit to the budget of the production team; (e) the production team improving some production processes which can minimize cost without sacrificing quality of output; (f) the management

checking the progress of the production team process improvement with the help of the finance and marketing departments (i.e. the finance department checks whether the production department has successfully operated within the budget limit and whether it has achieved cost reduction; while the marketing department confirms with customers regarding customers' satisfaction with company goods and services with the improved process); and (g) the company giving incentives to the production department when the objective of cost reduction and improved quality is attained.

3. Limit borrowing from creditors to avoid a huge amount of interest payment, which restricts working capital.

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AppendixA	Income Statements for the Years 1993-1995 and 2003-2005
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	AF	<b>FER Plant Expan</b>	sion	BEF	ORE Plant Expai	nsion
	2005	2004	2003	1995	1994	1993
Sales	48,739,999	64,455,452	67,366,749	62,389,063	55,131,960	51,802,211
Cost of Sales	(38,187,717)	(49,038,284)	(50,603,722)	(45,066,751)	(39, 322, 006)	(37,770,140)
Gross Profit	10,552,282	15,417,168	16,763,027	17,322,312	15,809,954	14,032,071
Operating Expense	(6,108,271)	(7,975,914)	(10,645,268)	(12,118,953)	(10,811,819)	(9,446,720)
Operating Income	4,444,011	7,441,254	6,117,759	5,203,359	4,998,135	4,585,351
Other charges – net	(4,186,386)	(5,755,499)	(4,684,934)	(3,353,158)	(3,593,862)	(3, 420, 090)
NET INCOME	257,625	1,685,755	1,432,825	1,850,201	1,404,273	1,438,261

	1993-1995
Appendix B	<b>Balance Sheets for the Years</b>

	AF	<b>FER Plant Expan</b>	sion	BEF	<b>ORE Plant Expa</b>	nsion
	2005	2004	2003	1995	1994	1993
			ASS	ETS		
<b>Current Assets</b>						
Cash	58,935,771	1,730,623	100,629	3,396,925	2,981,153	2,133,625
Accounts Receivable	4,916,288	1,469,803	3,748,065	9,207,384	6,480,347	5,482,104
Inventories	11,787,702	8,840,777	12,250,766	10,220,787	5,758,891	4,872,130
Prepaid Expenses	4,454,849	2,347,124	128,888	2,280,386	480,391	309,570
Total Current Assets	80,094,610	14,388,327	16,228,348	25,105,482	15,700,782	12,797,429
Non-Current Assets						
Property - net	321,186,153	321,747,309	313,195,258	209, 171, 048	228,135,293	247,099,538
TOTALASSETS	401,280,763	336,135,636	329,423,606	234,276,530	243,836,075	259,896,967

	AF	<b>FER Plant Expan</b>	sion	BEFO	<b>ORE Plant Expan</b>	nsion
	2005	2004	2003	1995	1994	1993
		LIABILITIE	S AND EQUITY			
<b>Current Liabilities</b>						
Accounts Payable	6,648,055	6,283,412	8,666,060	11,748,248	14,543,065	15,245,717
Accrued Expenses	14,964,140	10,431,922	8,506,481	11,257,771	10,435,859	14,234,089
Long-Term Debt				23,721,421	25,856,363	32,808,114
Total Current Liabilities – current portion	21,612,195	16,715,334	17,172,541	46,727,440	50,835,287	62,287,920
Non-Current Liabilities						
Long-Term Debt – net	245,654,796	185,664,155	180,180,673	57,911,521	65,213,420	71,225,952
Total Liabilities	267,266,991	202,379,489	197,353,214	104,638,961	116,048,707	133,513,872
Equity						
Capital Stock	47,260,000	47,260,000	47,260,000	47,260,000	7,000,000	7,000,000
Deposits on Subscriptions					40,260,000	40,260,000
Revaluation Increment	61,425,807	61,425,807	61,425,807	61,425,807	61,425,807	61,425,807
Retained Earnings	25,327,965	25,070,340	23,384,585	20,951,762	19,101,561	17,697,288
Total Equity	134,013,772	133,756,147	132,070,392	129,637,569	127,787,368	126,383,095
TOTALLIABILITIES & EQUITY	401,280,763	336,135,636	329,423,606	234,276,530	243,836,075	259,896,967