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**THE PICTURE OF FINANCIAL CONDITION OF POLISH LISTED
COMPANIES IN 1995–2010 ON THE BASE OF THEIR CASH FLOWS
INITIAL EVALUATION**

Abstract. This article addresses the issue of the specificity and significance of the distribution of net cash flows from operating, investing and financing activities in determining of entities financial condition, especially in times of economic crisis. The author's subject of interest is the variety of entity performance initial evaluation on the base of sectional streams of net cash flows. In the article the author presents results of the research based on polish listed companies cash flows, in the years 1995–2010 and provides initial conclusions from the study.

Keywords: cash flows initial evaluation, entities performance, nature of net cash flows, analysis of cash flows, solvency, sectional streams of net cash flows, cash flow statement, financial statements analysis.

1. INTRODUCTION

Research indicates that cash flow statement is now becoming more widely used, more comprehensible and far more useful than in the previous decades. Among the arguments for the application of a *cash flow* approach, speaks mainly the fact, that cash flow data are not dominated by the rules, concepts and principles of accounting in the same way as other elements of the financial statement.

Today, in the large domains of business, the investors more likely use the cash flow statement, whereas to a lesser extent, the information from the income statement. A classic, now almost a cult evidence supporting the statement about the usefulness of cash flow information as a tool for the foreseeable financial results of the company, is the history of the WT Grant Company bankruptcy (Largay, Stickney, 1980).

In the years 1970–1973 the company has presented in their reports a net profit of more than 40 million dollars annually. At the same time, the amount of

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cash flows from operating activities decreased at an alarming pace, and consequently as an effect in 1973 a negative amount of net cash flows of the entire business raised up to over 90 million dollars. In this situation it seems obvious that the rapidly deteriorating financial situation of the company – taken early enough as an urgent alarm signal – could preserve the investors and the company from the downfall. Unfortunately for the investors of WT Grant Company, self-concentrated on the amount of earnings per share, it was too late.

A balance sheet and a profit and loss account are read and interpreted in many ways, including the profitability indicators analysis. It is often forgotten, however, that despite the undeniable usefulness of information, the accrual presentation of the entity's financial performance for the given period, exists almost exclusively "on paper".

There are many reasons of a such state of affairs and the fundamental one is the impact on the financial performance of many non-monetary items, mostly including those resulting from the estimates. Examples include asset impairment charges, the creation of reserves, charged accrual interests and exchange rate differences, revenue from not completed long-term contracts, etc., as well as depreciation. The greater part of these figures in the financial performance (in net profit or in net loss), the less possibility that the result shows a real entity's abilities to provide cash. Developing the profit by the entity is not an equivalent to the possession of liquid assets that can be used to pay debts, dividends or investments (fixed or financial). Sometimes it happens, that the whole profit shown in the profit and loss account is distributed in cash to owners, while this is simply "counting your chickens before they're hatched". On the payday profit "lies" still in inventories or in receivables. Therefore, it seems to be reasonable to supplement (not replace) the traditional analysis of the balance sheet and profit and loss account with the analysis of cash flow information, bearing in mind that:

- one thing is the starting point of profit and loss account, while another is the starting point of cash flow; profit and loss account provides information about what were the revenues and expenses of the entity – both paid and not paid and what is their profit balance, which is the result; while cash flow contains data that allow to explain the titles of which the state of liquid assets increased or decreased over the year;
- profit and loss account shows the total result of the whole activity – operating, investing and financing, while the cash flow statement clearly divides the net cash flows into those resulting from operating activity (mainly from the sale of products, goods and services after deducting the costs which were incurred in their production or purchase), investing and financing;
- profit and loss account does not recognize the settlement with the owners (contributions and their withdrawal, dividends), while cash flow includes such information.

2. VARIETY OF INITIAL EVALUATION OF ENTITIES PERFORMANCE ON THE BASE OF SECTIONAL STREAMS OF NET CASH FLOWS

The division of cash flows by activity and type of operations that are the result, and the assessment of their nature can be helpful in assessing the entity's financial position during the previous and the current period. They can also provide a basis to determine the trend of the development of the future cash flows. Moreover, the analysis of historical data always serves to predict; recollection of the past, which does not result in the conclusions for the future, is a lost time.

While reading cash flow information, usually in the first instance one deals with the streams of net flows from different activities. Extracting three types (operating, investing, financing activity) and taking into account the dual nature of net cash flows (surplus, shortage), we can distinguish eight cases of situations, in which an entity may find itself, as shown in Table 1.

Table 1. Cases of the entity's situations due to the activity and nature of net cash flows

Net cash flows from:	Cases							
	1	2	3	4	5	6	7	8
Operating activity	+	+	+	+	-	-	-	-
Investing activity	+	-	+	-	+	-	+	-
Financing activity	+	-	-	+	+	+	-	-

Explanation to Table 1. Net *cash flows* is the difference between cash inflows and cash outflows from specific activity; „+” means the surplus of cash inflows over outflows); “-” means surplus of cash outflows over inflows.

Source: Śniezek (1997, p. 101).

In the literature of the subject the most frequently encountered are the following, brief and somewhat simplified characteristics of particular situations (cases).¹

The first case – a situation typical for the entity with a high financial liquidity. The cash flow surplus from each type of activity, resulting in the increase of

¹ It should be emphasized that the analysis of eight cases was for a time in Poland, used almost indiscriminately. But it was a period when the Polish practice focused primarily on mastering the principles and techniques of proper reporting of cash flow statements, and the dilemmas of nature: “How and whether to use cash flow information?” strongly fade into the background. With time, the development of the already universal knowledge of information capacity of this report has resulted in improvement of the analytical technique. Then it turned out that the analysis of eight cases can only be used for the initial and rather very general recognition of the financial situation of the business entity, serving as a kind of tool of “preliminary diagnosis” of the condition of company. Por. Śniezek (2008, p. 281–299).

liquid assets, is mostly due to the preparation of the individual to undertake new projects, even on a large scale (e.g. the acquisition of another business entity). In practice, this is the case encountered relatively rarely.

The second case – if the surplus earned in the course of operating activity is large enough to:

1. cover the shortfall of cash flows from other activities,
2. hold the investments and
3. regulate the commitments to lenders (loan repayment) and owners (dividend),

then the investors are very likely to invest their capital in this entity. If the shortfall of cash flows from investing and financing activities exceeds the cash flow surplus from operating activities, it would be a signal to improve the ability to generate cash from operating activity, or look for additional sources of funding. The way to survive and improve the financial situation are – presumably – the new investments made by the entity. This case occurs most often in the mature units, of highly profitable business which are in the middle of a temporary crisis of liquidity and solvency.

The third case – depending on whether the excess of net flows from operating activities and investment flows exceed the shortage of financial activity, or vice versa, it can indicate both that the restructuring processes are conducted by the entity and that the unit is unable to cover the liabilities of current receipts from operating and investing activities without the additional supply from the financial activity.

The fourth case – the entity achieves a net surplus of cash flows from operating activities, but the size of its investments results in the fact that the entity must use external sources of financing. This situation is characteristic for developing units, whose financial situation is favorable enough that they obtain new loans and credits or funds from the owners.

The fifth case – it may mean that the operating activity encounters some transitional difficulties; the unit tries to cover the shortfall of cash flows from this activity with surplus flows from investing activity – sale of property or financial assets – and the financial activity because its financial situation is good enough. Financial difficulties of the entity are temporary, that is why lenders decide to give finance to the entity (by loan), and investors – decide on the commitment of additional resources, which results in a surplus of receipts from financing activities.

The sixth case – this situation is typical for young and developing entities. The future for the entity may be assessed as good, if it obtained funding from the outside sources (loans or capital increase), which allows it to finance their investment activity and to cover the deficiency of net flows from operating activity.

The seventh case – the unit is most often in serious financial difficulties. Shortage of net flows from operating activity and debt repayment of loans and borrowings (shortage of financial activity) the entity tries to cover with funds raised from the sale of assets (investments), usually the fixed one. There is no indication that the entity's financial troubles are temporary.

The eighth case – the unit, despite the lack of net flows from operating activity and the need to repay long-term loans (shortage of financial activity), leads investment activity, which shows the collection of financial resources, in the previous periods, sufficient to invest. However, this situation (three net negative cash flows) significantly increases the probability of bankruptcy of the entity in the long run.

The above outline of how to assess the financial position of the entity based on information coming from the cash flow statement, undoubtedly requires elaboration. Because of its partiality, this analysis does not account in a comprehensive manner all the elements and aspects of the entity's functioning in the business environment, the causes and circumstances concerning its decisions. It is not able to show all the relevant circumstances and factors affecting the financial condition of the audited entity. Despite this, it is an important part of entity financial situation evaluation, but it should also be remember that to produce a full analysis we need the data from the other primary statements (balance sheet, profit and loss account) and notes, as well as data from the previous periods. The knowledge of the industry, region and the corporate strategy is also useful.

Considerations presented above have shown that the analysis of cash flows of the entity has many advantages. It teaches how to have a quick and, as far as it is possible, a thorough look at the entity from the viewpoint of its revenue and expenditure, which means that it teaches to think in terms of liquidity and solvency. Facility management, financial analysts, or employees of credit banks' departments often feel that they already possess the sufficient ability to assess the solvency and that they do not necessarily need cash flow information to do that. Some of them even boast about the fact that they intuitively solve the problems of liquidity and solvency. This is undoubtedly a very valuable skill crucial in management, but the real figures contained in the statement of cash flows and the knowledge of the possibility of translating this information into the business language cannot be ignored. Experience and practice, especially of Western countries, clearly indicate that the current supervision of the actual cash flows in different terms and from different points of view, and especially receiving warning signals and the comparison of made data with planned data, allow for better and more secure management of the entity in the contemporary economic reality.

The analysis of eight cases allows to highlight those areas which need to be studied in a more careful and multidimensional way. In many cases it is neces-

sary to make an evaluation of various aspects of the entity in question, which in turn may even lead to the need to redefine its strategy.

Moreover, the presented analysis allows a precise determination of the type, nature and extent of the details that are needed to properly evaluate the performances of the entity, its financial situation and the legitimacy of decisions (e.g., scheme of capital repayments and interests, the nature of the investment, the period of their maturation and size of expenditures, the rules of granting and receiving discounts, the age structure of settlements, the nature of trade agreements, etc.).

3. THE EXAMINATION OF THE VARIETY OF ENTITY PERFORMANCE INITIAL EVALUATION ON THE BASE OF SECTIONAL STREAMS OF NET CASH FLOWS

The presented above analysis of eight cases was the inspiration to undertake research on business practice. The author has focused at the initial diagnosis of the financial position and performance of companies on the basis of segmental cash flows.

The purpose of this study was to determine the specificity and significance of the distribution of net cash flows from operating, investing and financing activities in listed companies, in the years 1995–2010. The assignment of companies to individual cases according to the criterion of a positive or negative nature of the net flows of different types of activities, helped to identify patterns and determine the cases that dominated the Polish Stock Exchange in the period considered.

The financial data of the cash flows of companies listed on the main market and on the parallel markets were analyzed. The number of surveyed companies over 16 years varies significantly in different years. The study included all of the public companies, and thus both those of nature of production, trade and service, as well as banks, insurance companies, leasing companies, etc. The financial information derived from the *Almanac of listed companies*, from the service NOTORIA and from the financial statements available on the websites of companies surveyed. The survey was conducted separately for each year.

The number of listed companies in the years surveyed is presented in Table 2.

Note that for the year 2010 only 64,5% of companies were examined (285 from 400 companies). Furthermore, the survey was based on preliminary information, often from summary reports. At the moment of putting the article into print, the final consolidated annual reports of listed companies for the year 2010, have not been published yet. However, the author decided to include these data for the sake of outlining the current image of the studied phenomena.

Table 2. The number of listed companies surveyed in the years 1995–2010

The year surveyed	The number of companies surveyed
1995	65
1996	83
1997	143
1998	198
1999	221
2000	225
2001	230
2002	216
2003	203
2004	230
2005	225
2006	284
2007	351
2008	378
2009	379
2010	285 (from 400)

Source: own elaboration.

Analyzing cash flows of listed companies in the years 1995–2010, we can point out both many similarities and occurring changes. In the first studied year (1995) strongly dominated entities included in the second case, which meant that over 40% of the population were mature businesses, usually with a high return on sales, but also with negative cash flows from financing activities, which in practice should mean an extra vigilance and indicate the area of special monitoring.

In the next period, the share of this group of companies slightly decreased. In 1996, many companies were assigned to the fourth case. The years 1997–1998 brought changes in the percentage of companies characterized by positive net operating cash flows and negative flows from other activities (the second case). The appearance of the second case in the studied population during this period declined by almost 18%. The number of companies qualified for the fourth variant in this period, however, remains relatively constant. Subsequent periods (1999–2001) are characterized by alternating dominance of the fourth and the second case. Such situation provides a good market position of the entities, since in both cases, the individuals achieve a positive net cash flow from operations and generated cash are spent on investment and development.

The years directly preceding the period of economic crisis (2002–2006) are characterized by a slow but consistent increase in the share of companies from the cases: seventh and eighth and entities with the fifth variant. Banks are

becoming more firm and restrictive in their approach to debt repayment by their customers. This applies equally to long-term and short-term loans, with overdrafts included. There is a growing part in the surveyed companies of entities assigned to the third variant, and it is by no means those which are undergoing the process of restructuring. After such a long term of a boom on market one would rather expect the increase of the participation of the fourth variant, whereas it has been changing little over the studied years.

Years of crisis (2007–2010) bring the stock market primarily an increase in those who bear the loss, withdrawal of companies from the floor due to the loss of solvency and a significant increase in the number of companies located in the second, third and sixth variant. The number of companies from the fourth variant decreases, while slightly, but consistently participation from the seventh and eighth variant increases.

Summary of the percentage of companies in different variants and tested over the years is shown in Table 3.

Table 3. Percentage of listed companies classified to different variants and tested over the years 1995–2010

Case/Year	1995	1996	1997	1998	1999	2000	2001
1	0,00	1,2	1,40	0,51	0,00	0,89	0,00
2	43,08	38,55	27,96	22,73	36,20	28,44	35,22
3	1,54	2,41	3,50	4,55	3,62	7,56	12,61
4	32,30	40,98	40,56	38,89	33,94	29,78	19,56
5	3,08	0,00	0,70	4,04	4,98	4,44	6,96
6	16,92	14,46	19,58	23,22	15,38	20,00	12,61
7	1,54	1,2	4,20	3,03	4,07	5,78	10,00
8	1,54	1,2	2,10	3,03	1,81	3,11	3,04

Case/Year	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	0,00	0,99	0,87	1,96	1,06	0,00	1,87	0,79	1,55
2	48,15	31,03	30,00	30,98	29,23	30,20	31,28	44,85	43,01
3	18,98	23,15	12,17	10,98	10,92	2,85	8,82	9,50	12,01
4	20,83	23,15	25,22	22,75	23,94	29,91	33,97	19,53	20,16
5	0,93	4,93	6,09	7,06	8,10	7,98	4,01	4,22	1,94
6	9,26	6,81	16,95	18,81	19,01	21,08	14,17	13,72	13,57
7	1,85	9,85	7,83	4,71	3,87	5,13	2,94	4,22	5,43
8	0,00	0,99	0,87	2,75	3,87	2,85	2,94	3,17	2,33

Source: own elaboration.

Bellow the dynamics of change in the number of companies included in the individual cases in the period considered is briefly discussed. Percentage of listed companies included in variant 1 in the total number of listed companies in the years 1995 to 2010 is shown in Figure 1.

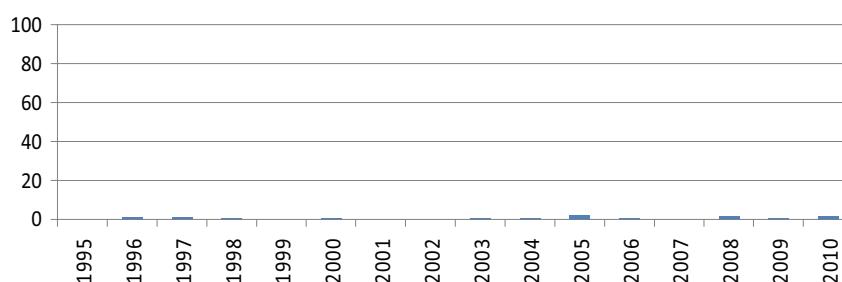


Fig. 1. Percentage of listed companies included in variant 1 in the total number of listed companies in the years 1995 to 2010

Source: own elaboration.

Data analysis confirms that the first situational variant very rarely happens in business reality. In the years: 1995, 1999, 2001, 2002 and 2007 there was no reported company which delivers positive net cash flow from each type of activity in the annual financial reports. But in other years, their share in total population ranged from 0,5% to 1,5%.

Percentage of listed companies included in the second variant, in the total number of listed companies in the years 1995–2010 is shown in Figure 2.

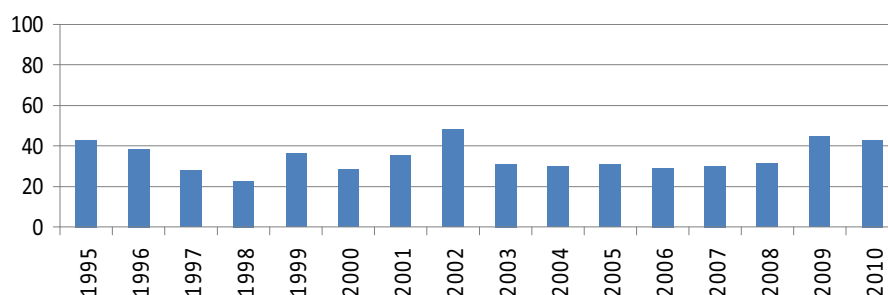


Fig. 2. Percentage of listed companies included in the case no 2, in the total number of listed companies in the years 1995–2010

Source: own elaboration.

As already mentioned, this is the case most common on the stock exchanges, not only in Poland and Europe, but also for example on the New York Stock Exchange. In the second variant generally classified companies are: profitable, solvent, usually operating long on the market, so those having a well-established opinion and good, developed over the years relations with suppliers and customers. There are also companies in the second case, which are at the beginning of difficult times. “Flawed” elements of working capital management, loans for the investments have been raised too early, or the plan of their repayments is positioned incorrectly in relation to the plan of capital expenditure. In a classic early warning system red lights should be lit at this point, indicating: “step up your vigilance, watch, monitor, respond to date!” As it can be noticed, as a matter of fact one cannot see a particular increase in the number of this case during the crisis, although it undoubtedly dominates in difficult times as well.

Percentage of listed companies included in the third variant in the total number of listed companies in the years 1995 to 2010 is shown in Figure 3.

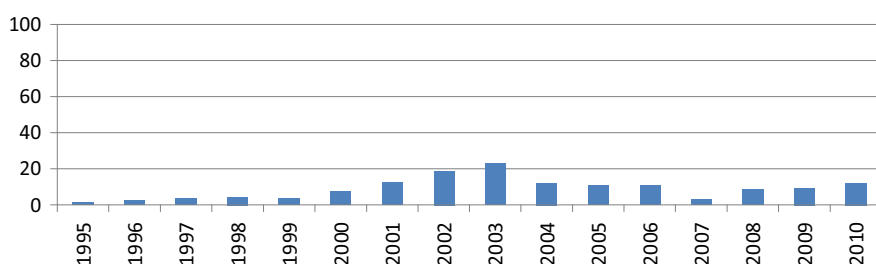


Fig. 3. Percentage of listed companies included in the third variant in the total number of listed companies in the years 1995–2010

Source: own elaboration.

A constant increase of participation in the studied population also recorded companies corresponding in characteristics to the third case. Positive net cash flow from operating activity and investment, and negative financial flows usually mean that the companies are being restructuring their business. It may also be a warning against the rise of financial problems, improper building of the structure of capital (definitely more liabilities than the equity), or excessive payment of dividends, which “quality” in cash terms still continuous to deteriorate. In the period 1995–2010 the share of such companies in the studied population increased by around 12%.

Percentage of listed companies included in the fourth variant in the total number of listed companies in the years 1995 to 2010 is shown in Figure 4.

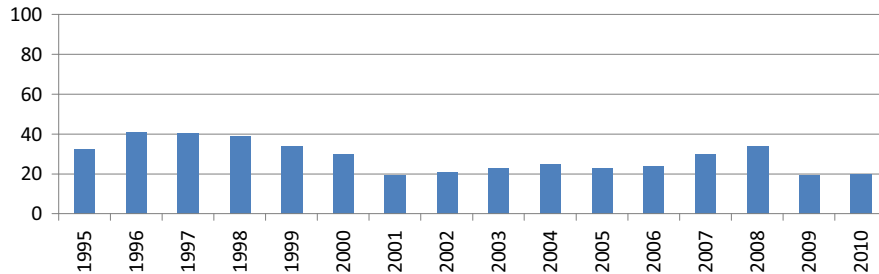


Fig. 4. Percentage of listed companies included in the fourth variant in the total number of listed companies in the years 1995–2010

Source: own elaboration.

The fourth case is, by far, the best case, though here one can also find entities with hidden financial problems. On the New York Stock Exchange investors mostly prefer to invest their capital in such companies (although this is obviously neither the only nor the most important indicator for them). Certainly we wish there were more of such companies on the stock exchange in Warsaw, while their percentage of share in the studied population oscillates between 20 and 40%, about 31% on average. What can also be observed, with concern, is the declining trend of this share during the years of crisis, especially in the years 2009–2010.

Percentage of listed companies included in the fifth variant in the total number of listed companies in the years 1995 to 2010 is shown in Figure 5.

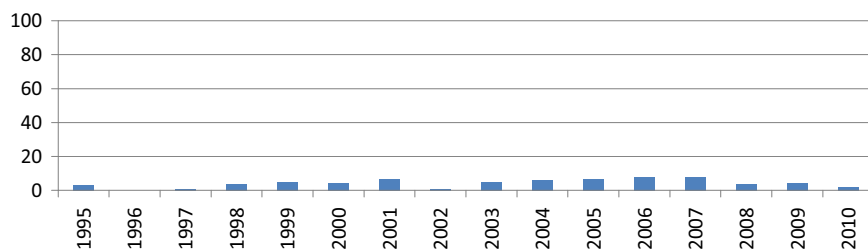


Fig. 5. Percentage of listed companies included in the fifth variant in the total number of listed companies in the years 1995–2010

Source: own elaboration.

The fifth case concerns the business entities of a negative level of operating net cash flows, partially plated with the sale of fixed assets and partially funded

from external financing sources. For the first three years, this situational variant has practically been absent, as it was indeed a constant phenomenon in the western stock markets. Since 1998, the share of such companies in the studied population has increased from 5% to 7%, but, interestingly, strongly rose in the years 2003–2007, i.e. in the pre-crisis period. This may mean that in such times the number of companies whose financial and developmental prospects are impossible to determine, without deep analysis, significantly increases and Americans refer to as “it could go either way.” Very characteristic for this group of companies is the fact that accumulated in the previous periods free cash is usually invested in financial assets and companies in difficult times, evolve it and engage in operations, in order to offset the negative impact of the “cash loss” from operations.

Percentage of listed companies classified as a sixth variant in the total number of listed companies in the years 1995 to 2010 is shown in Figure 6.

It indicates a relatively high regularity of the occurrence of the sixth case. The relative share of the companies assigned to that situational variant in the years 1995–2010 is in the range from 13% to 23% (with the exception of the years 2002–2003) and in almost every period considered, constitutes a significant share of the total population of surveyed companies. As mentioned earlier, this is the case characteristic for young, developing entities, though weak enterprises also occur in this case, in which the destructive processes proceed slowly and latent. Typically, the share of the latter on the stock market is small, but growing in the periods prior to and post-crisis.

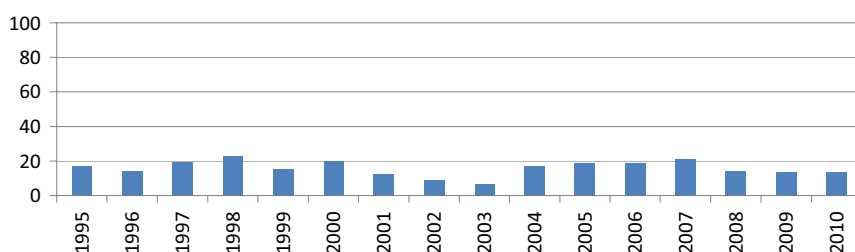


Fig. 6. Percentage of listed companies classified as a sixth variant in the total number of listed companies in the years 1995–2010

Source: own elaboration.

Percentage of listed companies classified as the seventh and eighth variant in the total number of listed companies in the years 1995–2010 is shown in Figures: 7 and 8.

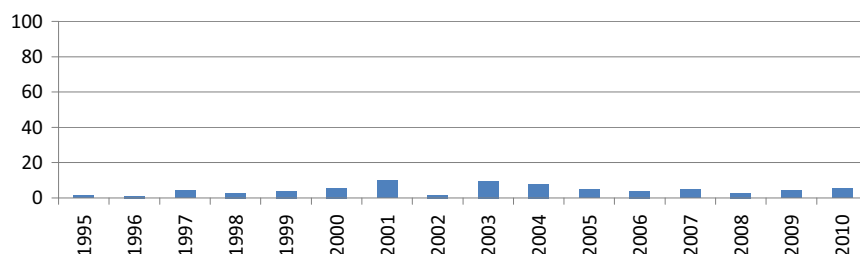


Fig. 7. Percentage of listed companies classified as the seventh variant in the total number of listed companies in the years 1995–2010

Source: own elaboration.

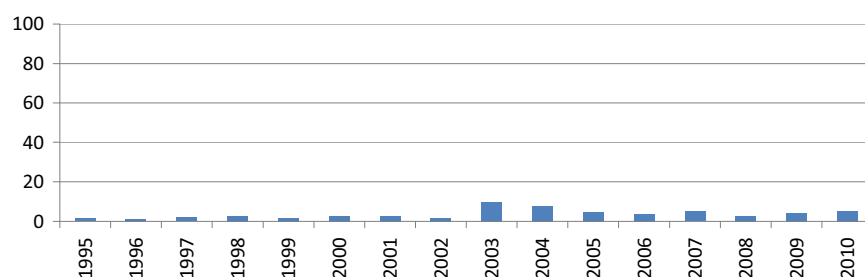


Fig. 8. Percentage of listed companies classified as the eighth variant in the total number of listed companies in the years 1995–2010

Source: own elaboration.

The seventh and eighth case gradually increased its share in the total number of surveyed companies. None of them however exceeded 10% of the population. The biggest amount of companies, which were threatened with serious financial difficulties, was recorded in 2001, but it is observed that even on the stock market during the crisis, the number of such entities is growing.

4. CONCLUSIONS

In order to completely illustrate the studied phenomenon, in the Figure 9 the changes in the number of surveyed companies belonging to specific cases in all years studied are presented.

Figure 10 shows, in turn, the number of surveyed companies, achieving positive or negative cash flows from operating activity in the years 1995–2010.

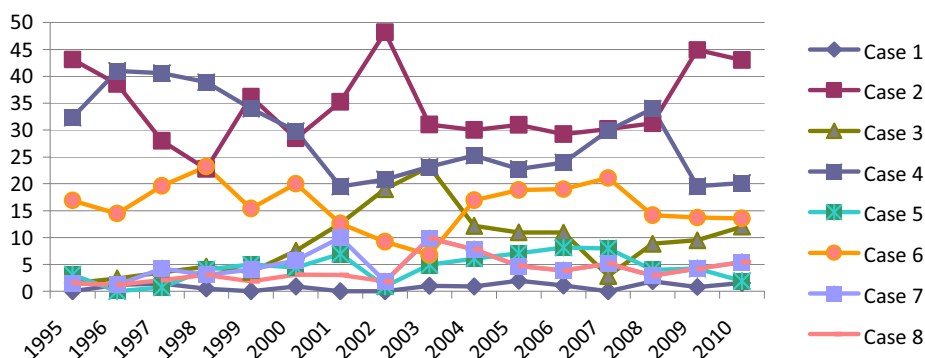


Fig. 9. Changes in the number of surveyed companies belonging to specific cases, according to the nature of sectional cash flow streams in years 1995–2010

Source: own elaboration.

In the Figure 10, the number of entities suffering from operating cash loss over the years is growing and definitely much faster than the decreasing number of companies achieving the *cash profit* (positive surplus of cash inflows over cash outflows).

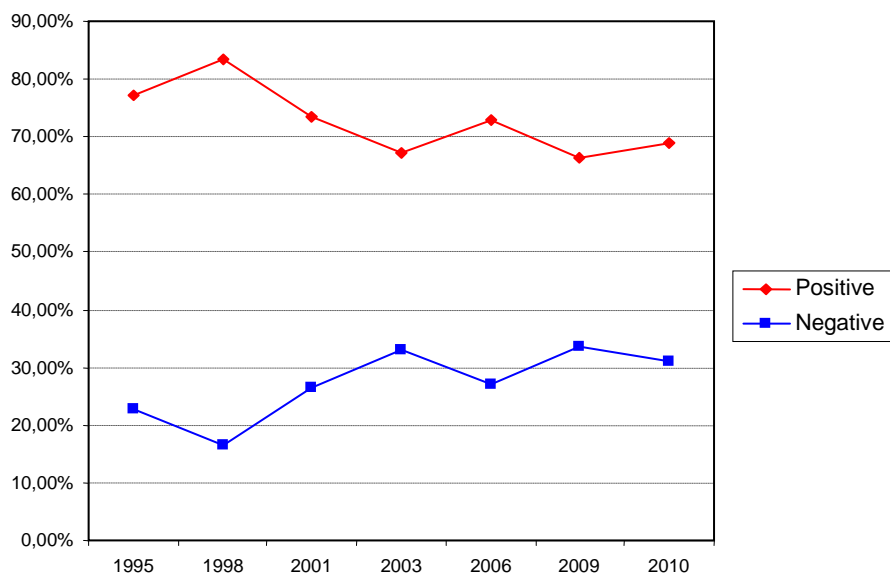


Fig. 10. The nature of operating net cash flows in years 1995–2010

Source: own elaboration.

The Figure 11, on the other hand, presents the nature of earnings (net profit or net loss) in each year, for all entities included in the research.

As shown in the Figure above, during the surveyed period the number of listed companies achieving net profit gradually decreased. In 1995, over 95% of businesses were profitable. Subsequent years brought the reduction of the profitability of companies surveyed.

Comparing the Figures 10 and 11, one can find a certain pattern. Since 1998, despite a sharp drop in the number of profitable companies, the number of entities that generate positive net operating cash flows remained practically unchanged. For the further illustration of this problem, one has to examine the relations between net operating cash flows and financial results. Having such a relationship, one can distinguish the following options:

- first option (O1) – positive net cash flow and net profit;
- second option (O2) – positive net cash flow and net loss;
- third option (O3) – negative net cash flow and net profit;
- fourth option (O4) – negative net cash flow and net loss.

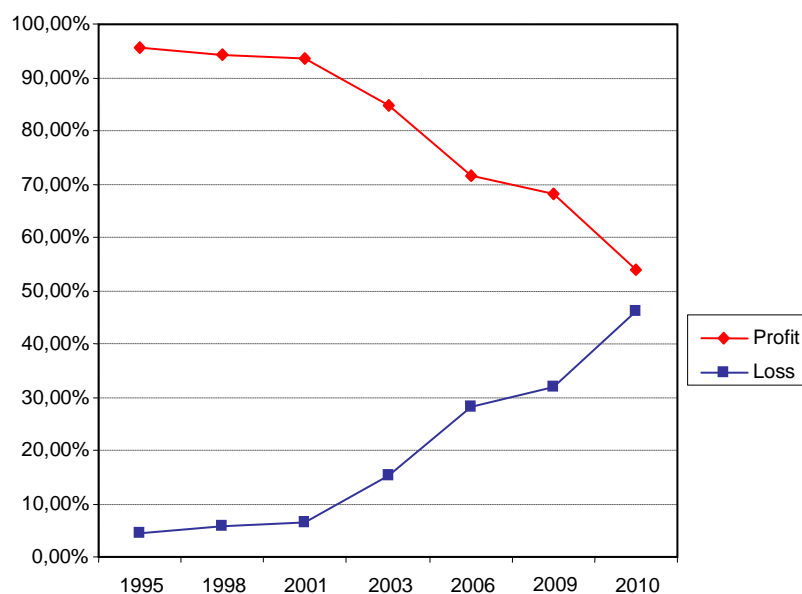


Fig. 11. The nature of listed companies earnings in years 1995–2010

Source: own elaboration.

The juxtaposition of relations between the financial results and net operating cash flows for all the companies surveyed in the years 1995–2010 is shown in Figure 12.

The Figure above clearly shows that over the years the number of companies that generate profit and positive net cash flow from operating activity significantly decreased. At the beginning of the surveyed period (1998) nearly 80% of such entities were recorded in the studied population, and in 2010 only 42%. Maintaining the same level of the number of companies receiving positive net operating flow was due to the increase in the number of companies qualified for the third case. However, despite managing to achieve the operating cash surplus, these units usually bear the accrual loss.

The analysis of eight cases (distinguished by type of activity and nature of the net cash flows) and the comparison of the operating net cash flows with the net profit (or net loss) allowed to determine, at least in a general and simplified way, the financial position of listed companies in the years 1995-2010. On the basis of mere evaluation of key elements of the cash flow statement, it can be confirmed that in that period some companies encountered serious financial difficulties. On the other hand, a small number of companies obtained positive cash flow of each activity, which means that they were characterized by high liquidity and aggressive attitude towards cash and working capital management.

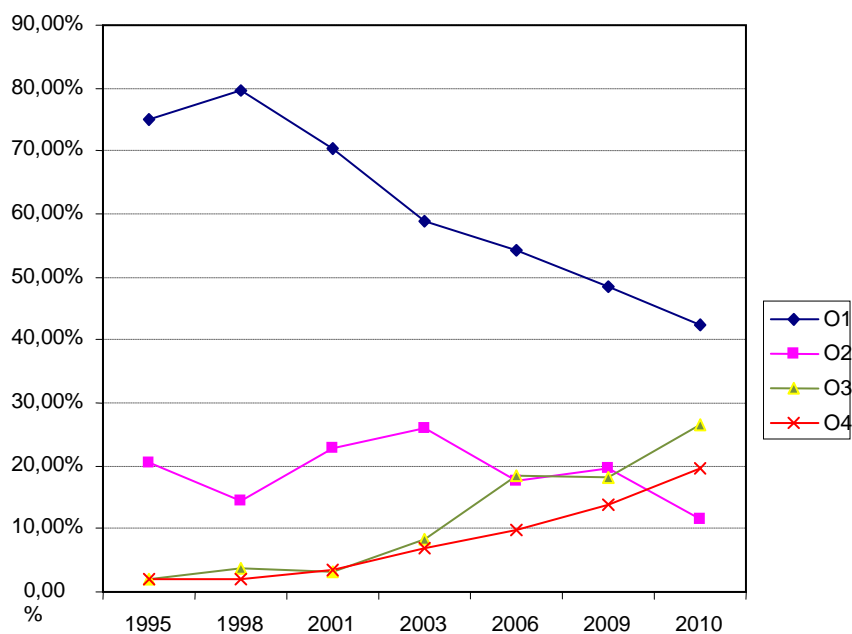


Fig. 12. The nature of relation between net profit (or net loss) and net operating cash flows (positive or negative) in listed companies in years 1995–2010

Source: own elaboration.

The comparison of cash results from operating activity with the achieved net profit or loss provides further insights. In the studied years, the number of companies suffering from losses increased, although it did not change significantly the number of entities that generate positive operating cash flows. However, at the end of the surveyed period, the number of companies generating at the same time both losses and negative net cash flow from core business, increased.

To sum up the consideration on cash flows of listed companies in the years 1995–2010 one can see some trends, as well as many occurring changes. Throughout the studied period the second case predominated the others, which in a few of the tested periods just “switched places” with the fourth case. The second case in the entire course of study reached the highest share of all cases (it took place in 2002 – 48% of surveyed companies). This means that the market position of the surveyed companies is good. As a confirmation of this fact, we can assume that both cases reach positive cash flows from operating activity, which then they use for development and investment.

The most stable in its share, with a slight slump in 2001–2003, was the sixth case. When the share for the sixth case fell, a rise for the third case was noticeable, when the share of the sixth case returned to its regular level, the share for the third case declined again.

In the situation of the fifth case, one could only notice its share since 1998 and has since then held a steady level at an average of 5%.

The seventh and eighth case grow slowly as the years go by, their average share in all the studied years is 3%. Note that the share of the seventh case never exceeded 10% of the studied population (the highest share was recorded only twice, in 2001 and 2003).

We observed the first case only in seven out of the fourteen surveyed years. The highest score was in 2005 and 2008 – about 2%. This only confirms the accuracy of performance of this case.

Comparing the results of studies in 1995–2006 and in 2007–2010, that is, without a crisis and in times of crisis, one does not notice any significant differences. The deviations between the average percentage shares are up to 3%, and they consider the second and fourth case. The presented results of the comparative analysis can have many causes, it seems, however, that they are mainly due to:

- the relatively small impact of the global economic crisis on the Polish economy in the years 2007 and 2008 (serious financial consequences, particularly in the areas of liquidity and solvency, will be visible and felt in the coming years);
- the insignificant influence of the events that took place on the Warsaw Stock Exchange, on the net cash flows in the studied Polish listed companies;

– the fact that for the case of the research large (listed) companies were chosen, with a relatively good financial condition (in comparison with unlisted companies) and of rigid (very often proven and reliable) liquidity management strategies, which cannot capture the adverse consequences of the economic crisis.

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