How to read a filing from the commercial register

Financial statements filed with the Polish commercial register are public and machine-readable. It is the only source about a company that the seller did not prepare for us — which is why I start there, before I look at anyone's spreadsheet.

A file, not a printout

The filing is submitted in a structured format. Every balance sheet and income statement line carries its own tag and a value for the current and the prior year. Reading that file automatically instead of retyping from a PDF removes a whole class of errors — mistyped amounts, swapped year columns, dropped minus signs — and lets me compare a dozen companies by one method in the time it would take to do two by hand.

What is not in it

There is no split of revenue by client or by project. There is no unit cost. There is nothing about how much of the result is produced by an owner working in the business without a market salary. A small-entity filing also omits the breakdown of revenue between products and goods. All of that has to be added from the ledgers or estimated explicitly — and labelled just as explicitly.

The filing variant changes the method

Micro, small and full-form entities file different sets of line items. The same ratio calculated on two different variants produces values that must not be placed side by side. So before the first calculation I check which variant was used, and whether every company in the comparison group used the same one.

WHAT I CHECK FIRST

01 The year and variant of the filing, and whether it was audited

02 Agreement of the prior-year column with the prior filing — to the last unit

03 Related-party balances and loans from the owner

04 One-off events described in the notes, not in the tables alone

Only after these four steps do the filed numbers enter the model. The order is not a formality: skipping any one of them can move a valuation by tens of per cent.

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