

Financial Statements

Due Diligence Document

Date Prepared: June 10, 2024

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1. Executive Summary

This document provides a summary and analysis of the financial statements as part of the due diligence process for [Target Company Name]. The aim is to assess the financial health, stability, and trends impacting business valuation and risk.

2. Balance Sheet (as of 31 December 2023)

Assets	Amount (\$)	Liabilities & Equity	Amount (\$)
Cash & Cash Equivalents	120,000	Short-term Liabilities	80,000
Accounts Receivable	45,000	Long-term Liabilities	150,000
Inventory	60,000	Shareholders' Equity	90,000
Property, Plant & Equipment	250,000		
Total Assets	475,000	Total Liabilities & Equity	320,000

3. Income Statement (FY 2023)

Description	Amount (\$)
Total Revenue	450,000
Cost of Goods Sold (COGS)	230,000
Gross Profit	220,000
Operating Expenses	85,000
Operating Income	135,000
Interest Expense	15,000
Tax Expense	24,000
Net Income	96,000

4. Cash Flow Statement (FY 2023)

Description	Amount (\$)
Net Cash from Operating Activities	110,000
Net Cash from Investing Activities	-35,000
Net Cash from Financing Activities	-20,000
Net Increase in Cash	55,000

5. Financial Ratios

Ratio	2023
Current Ratio	1.7
Debt-to-Equity Ratio	2.56
Gross Profit Margin	48.9%
Net Profit Margin	21.3%
Return on Equity (ROE)	17.8%

6. Important Notes

- All data above is based on the financial statements provided by [Target Company Name]; verification is pending.
- Ensure all supporting documents (invoices, contracts, tax filings) are cross-checked.
- Look for trends across multiple years to identify inconsistencies or anomalies.
- Regulatory compliance and recent auditor opinions should be reviewed as part of the process.
- This statement is intended as a summary for due diligence purposes and not as a substitute for audited financials.