

Financial Summary Report

Financial Health Report

Summary

The company experienced mixed financial results in the last year. While revenue slightly increased, net income significantly decreased due to higher expenses. A major shift in investing activities occurred with the purchase of land and buildings, financed by substantial borrowings. Overall assets significantly increased, driven by the purchase of land and buildings.

Key Financial Metrics

- **Total Revenue:** \$7,797,000 (Last Year) vs. \$7,701,000 (Previous Year) - A modest increase.
- **Net Income (Surplus for the year):** \$529,000 (Last Year) vs. \$1,025,000 (Previous Year) - A significant decrease.
- **Total Assets:** \$16,444,000 (Last Year) vs. \$7,843,000 (Previous Year) - A substantial increase, primarily due to the acquisition of land and buildings.
- **Total Liabilities:** \$8,997,000 (Last Year) vs. \$925,000 (Previous Year) - Significant increase due to borrowings
- **Cash and Cash Equivalents:** \$3,093,000 (Last Year) vs. \$4,955,000 (Previous Year) - A decrease.
- **Net Cash from Operating Activities:** \$536,000 (Last Year) vs. \$902,000 (Previous Year) - A decrease.
- **Net Cash from Investing Activities:** -\$10,398,000 (Last Year) vs. -\$100,000 (Previous Year) - A substantial outflow due to the purchase of land, buildings, plant and equipment, and investments.
- **Net Cash from Financing Activities:** \$8,000,000 (Last Year) vs. \$0 (Previous Year) - A significant inflow from borrowings.

Notable Trends and Observations

- **Revenue Growth Stalled:** Revenue experienced only a slight increase of about 1.2%, suggesting limited growth in the core business.
- **Profitability Decline:** Net income dropped significantly, almost by half, highlighting increased expenses outpacing revenue growth.
- **Major Investment:** A large investment in land and buildings occurred, fundamentally changing the asset structure of the company.
- **Increased Debt:** The significant increase in borrowings financed the purchase of land and buildings and resulted in a major change in the liability structure of the company.
- **Decreased Cash:** Despite borrowings, cash and cash equivalents decreased, reflecting the large cash outflow for investments.