

# Financial Summary Report

## Financial Health Report

This report summarizes the financial health of the company based on the provided financial statements.

### Key Financial Metrics

Metric	Last Year (\$)	Previous Year (\$)	Notes
<b>Revenue</b>			
Total Revenue	7,797,000	7,701,000	Slight increase in revenue.
<b>Expenses</b>			
Total Expenses	7,268,000	6,676,000	Significant increase in expenses.
<b>Profitability</b>			
Surplus (deficit)	529,000	1,025,000	Profit decreased nearly by half.
Total comprehensive income	529,000	1,367,000	
<b>Cash Flow</b>			
Net Cash from Operations	536,000	902,000	Decreased operating cash flow.
Net Cash from Investing	-10,398,000	-100,000	Significantly negative due to purchase of land, buildings and investments.
Net Cash from Financing	8,000,000	0	Due to borrowing, masking heavy investing activities
<b>Assets &amp; Liabilities</b>			
Total Assets	16,444,000	7,843,000	More than doubled total assets, driven by land and building purchase.
Total Liabilities	8,997,000	925,000	Substantial increase in liabilities, largely due to borrowings.
Net Assets	7,447,000	6,918,000	Increased.
<b>Equity</b>			
Retained Earnings	7,105,000	6,576,000	Increased
Reserves	342,000	342,000	No change.

### Notable Trends and Observations

- **Revenue Growth:** Revenue increased slightly compared to the previous year. Membership subscriptions remain the dominant revenue stream.
- **Expense Increase:** Total expenses increased significantly, impacting the bottom line. The increase is largely driven by higher employee and administrative expenses.
- **Profitability Decline:** Surplus decreased substantially, primarily due to increased expenses outpacing revenue growth.
- **Investing Activities:** Significant investment in land, buildings, and investments

occurred, leading to a large negative cash flow from investing activities.

- **Financing Activities:** The company took on substantial borrowings to finance its investing activities, resulting in a significant increase in liabilities.
- **Asset Growth:** Total assets more than doubled due to the acquisition of land and buildings.
- **Cash Position:** Cash and cash equivalents decreased significantly due to investments outpacing operational income.

## Summary

The company experienced a slight revenue increase but a significant surge in expenses, leading to a decline in profitability compared to the previous year. A major strategic shift occurred with substantial investments in land, buildings, and investments, financed by significant borrowings. The company's asset base has expanded considerably, but this has come at the cost of increased debt and a reduced cash position. It is very important to monitor cash flow as current cash levels are below the operating income of both years.