

# 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
Revenue	7,797,000	7,701,000	Slight increase in revenue compared to the previous year.
Net Income (Surplus)	529,000	1,025,000	Significant decrease in net income compared to the previous year.
Cash from Operations	536,000	902,000	Decrease in net cash from operating activities
Net Assets	7,447,000	6,918,000	Increased
Cash and Cash Equivalents	3,093,000	4,955,000	Decrease in cash and cash equivalents compared to the previous year.

### Trends and Observations

- **Revenue Growth:** Total revenue increased slightly from \$7,701,000 to \$7,797,000.
- **Net Income Decline:** Net income decreased significantly from \$1,025,000 to \$529,000. This decline needs further investigation to understand the underlying causes.
- **Cash Flow Issues:** Cash from operating activities decreased, and the overall cash position decreased significantly due to large investments.
- **Investing Activities:** A major investment in land and buildings (\$10,000,000) occurred this year, which explains a significant portion of the decrease in cash.
- **Financing Activities:** The company took on substantial borrowings (\$8,000,000) during the year.
- **Asset Growth:** Total assets increased significantly, primarily due to the purchase of land and buildings.
- **Liability Increase:** Total liabilities increased substantially due to new borrowings.

### Summary

The company experienced a mixed financial year. While revenue saw a modest increase, net income declined significantly. A major factor contributing to this shift was a substantial investment in land and buildings, financed by new borrowings. This investment led to a significant decrease in cash and cash equivalents. The increased debt load will need to be carefully managed. Further investigation into the reasons for the decline in net income is recommended to ensure sustainable profitability.