



Questions directors should ask about the Balance sheet

Cash and money owed to the corporation

Has cash at bank increased or decreased significantly? Why?

Have our accounts receivable (trade debtors) increased significantly?

- If so, why?

What is being done to collect overdue debts?

Has an aged debtors report been prepared and presented to the board?

Have any debts been written off during the reporting period?

- If so, why and who approved the write-off?

Stock

What inventory (stock) do we have at the end of the reporting period?

Has a stocktake been carried out?

Is stock valued at its cost price?

Has any stock been written off or is any stock close to expiry?

Investments

What short-term investments do we hold and when do they mature?

What long-term investments do we hold and when do they mature?

What are the plans for these investments when they mature?

Buildings, vehicles and equipment

What assets make up the total for property, plant and equipment?

What assets were bought or sold during the reporting period?

Has a fixed asset register been maintained?

Are assets recorded at cost or fair (market) value?

Are assets being depreciated appropriately?

Do we maintain a depreciation schedule?

Who decides the useful lives of assets?

Do we have a policy for replacing assets?



Leases

Do we have any leased assets (right-of-use assets)?

What are the lease terms and related lease liabilities?

Are lease liabilities correctly shown in current and non-current liabilities?

Money the corporation owes

Have accounts payable (trade creditors) increased significantly? If so, why?

Has the time taken to pay suppliers increased?

Are any creditors overdue?

Has an aged creditors report been prepared?

Do we have enough cash to pay our creditors?

Employees, tax and superannuation

How have employee benefit liabilities been calculated?

Do we have any unpaid or overdue superannuation obligations?

Have superannuation payments been made on time?

Are there any unpaid tax obligations, including GST?

Have all Business Activity Statements (BASs) been lodged and taxes paid on time?

Loans

Do we have any short-term borrowings?

When are loan repayments due?

Do we have enough cash to make loan repayments on time?

Future spending commitments

Have we committed to any major future spending or infrastructure projects?

If so, what are the details?

Our overall financial position

Has total equity increased or decreased since the last reporting period?

What is the dollar and percentage change?

What was our net profit (or surplus) for the period?

Has the profit been transferred to retained earnings?

Financial sustainability

In the Chief Financial Officer's opinion, is the corporation a going concern?

