

Financial Due Diligence

The financial due diligence is a detailed analysis of the past three to five fiscal years of operations, of the assets, income and financial position of the target company. The financial due diligence is based upon the current business planning to carry out an assessment of what expected future income may be.

This view has a very large influence on the calculation of the purchase price for potential investors.

The financial due diligence goes into a due diligence report with a plausibility of the analysis results and an assessment recommendation.

For the preparation of the financial due diligence answer the following questions:

Reports from the Auditor, interim

- Are the financial statements, audit reports and management reports for the last three financial years available?
- Are the current profit and loss statements available?

Finance and Accounting

- Are all loan agreements of the company at hand?
- Is there a statement of contingent liabilities?
- Do factoring agreements exist?
- Is there a current investment plan?
- Is the calculation scheme for pricing documented?
- Is an inventory list of assessed property, equipment available?
- Is there a list of existing credit lines and their use?
- Is the structure of the prevention of risk evident in the balance sheet?
- Are the methods documented for rating creditworthiness of customers?