Business health

Having reviewed your tax accounts, estimated your cash needs and calculated a balance sheet based on current market values, classify the health of your business using the following classification.

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| A strong business | * Achieves good profitability. * Can finance growth without borrowing. * Easily meets ongoing cash needs. * Saves surplus cash. |
| A secure business | * Achieves good profits. * But borrowing needed to finance growth. |
| An insecure business | * Does not cover cash needs from profits. * Has gradually rising borrowings. * Invests little in business. |
| A serious business problem | * Makes little profit. * An accelerating rise in borrowings. * No investment. |
| An acute business problem | * Suffers ongoing losses. * Has high and increasing levels of debt. * Can’t pay bills when due. |