**Introduction**

For this assignment, you are required to answer three questions that relate to course content covered over weeks 1 to 6. Question 1 relates to financial analysis of the Annual Report of Delegat Group Limited (DGL), Question 2 is a fictitious scenario on Cost-Volume-Profit analysis based on DGL and Question 3 is based on Costing and Cost Analysis for a health clinic. Each of the questions has a number of sub-parts.

**QUESTION 1 – Financial Statement Analysis**

This Question is based on the 2020 and 2021 published consolidated financial statements of Delegat Group Limited (DGL)[[1]](#footnote-1). DGL is a New Zealand based wine company that specialises in making “super-premium” wines which are sold in the domestic and overseas markets. The company has vineyards in New Zealand and Australia.

The financial statements are included in the company’s annual report which can be obtained by clicking on the following link: https://www.delegat.com/wp-content/uploads/2021/09/DGL-Annual-Report-2021.pdf

You have been asked to prepare some briefing notes for a group of potential individual investors to assist them in deciding whether or not to invest in DGL. The investors are particularly interested in understanding DGL’s recent financial results as well as some information about specific aspects of DGL’s business.

**Required:**

The following should be addressed:

1. Calculate a range of ratios that would assist in the evaluation of the financial performance and position of DGL covering the two (2) years, 2020 and 2021.

Already done

**10 marks**

1. Analyse and interpret the results of the ratios in part (a) above of DGL for the two years, 2020 and 2021.

**20 marks**

1. From parts (a) and (b) above, and from your general review of the DGL 2021 Financial Statements, identify any odd, unusual or one-off items that you think may be worth further investigation or should be highlighted to the potential investors.

**5 marks**

1. Prepare a list of information that has not been provided in DGL’s Annual Report, but if it were available, would improve your analysis of DGL’s performance and position.

**5 marks**

1. Identify the method that DGL uses for valuing its inventory and suggest an alternative method that they could use.

**2 marks**

1. Over what period does DGL depreciate its property, plant and equipment and what method of depreciation is adopted?

**2 marks**

1. Provide a brief description of any intangible assets, if any, DGL may have based on their annual report.

**2 marks**

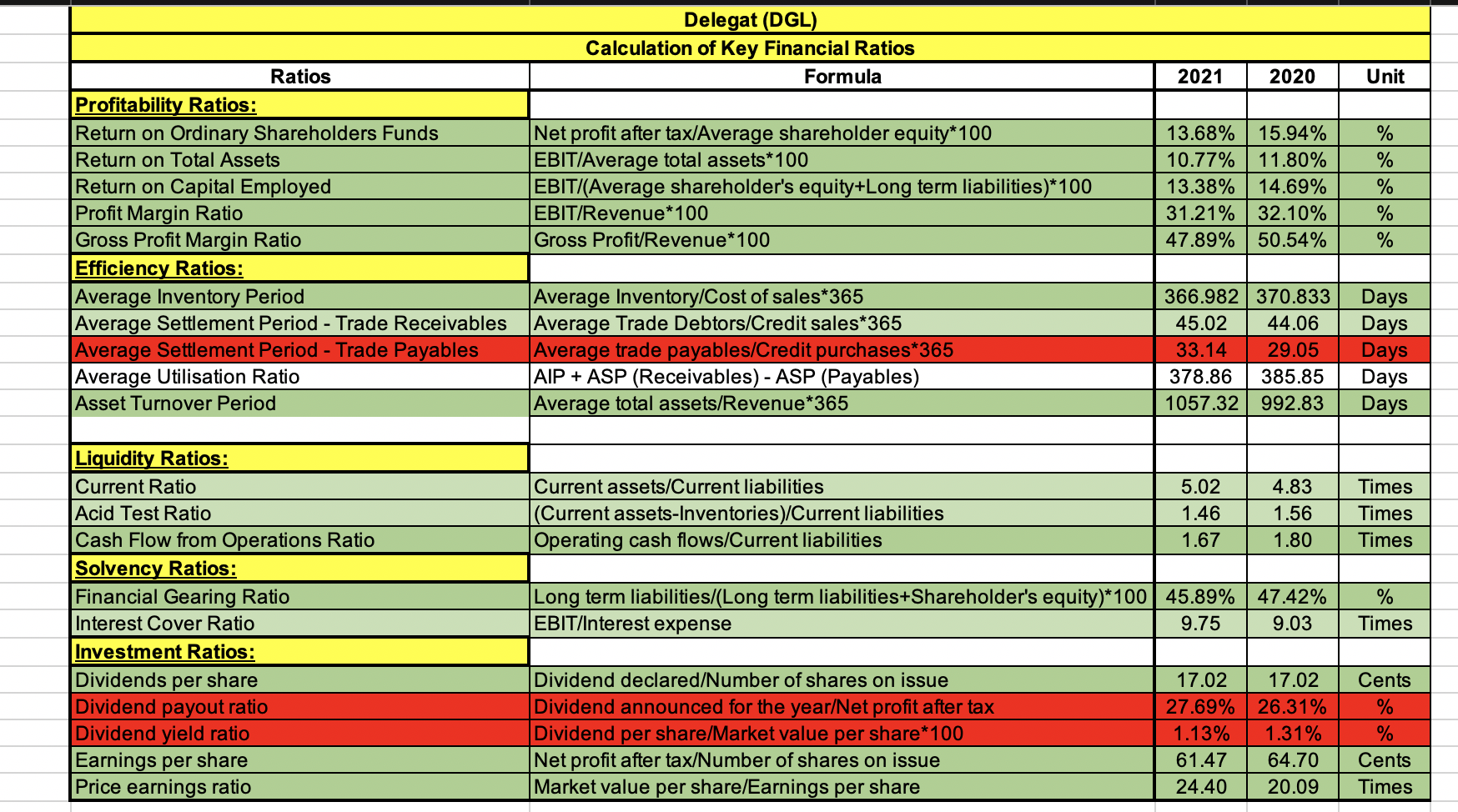
1. Assess the DGL’s cash position. As part of your assessment identify two major sources of cash and two major uses of cash and their respective amounts.

**6 marks**

1. Since the end of the last financial year, 30 June 2021, there has been a number of domestic (New Zealand and Australia) and global events that could possibly affect DGL. Briefly discuss the possible impact of these events on DGL.

**8 marks**

**Total for Question 1: 60 marks**

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1. [↑](#footnote-ref-1)