

# HOW TO SPOT DECEPTION IN ANNUAL REPORTS



**Ajinkya Kasabi**

# COMPARE THE PAST

LOOK AT PAST REPORTS. IF  
SOMETHING SEEMS OFF OR  
DRASTICALLY CHANGED, TAKE  
NOTE. CONSISTENCY  
MATTERS.





# CHECK FINANCIAL HEALTH

PEEK AT RATIOS LIKE HOW MUCH CASH A COMPANY HAS COMPARED TO ITS DEBTS. IF THESE NUMBERS SWING WILDLY, DIG DEEPER.



# READ THE FINE PRINT

DON'T SKIP THE FOOTNOTES! THEY  
OFTEN HOLD VALUABLE  
EXPLANATIONS ABOUT NUMBERS  
ON THE REPORT.





# WATCH FOR SURPRISING REVENUE JUMPS

BIG REVENUE SPIKES WITHOUT A  
GOOD EXPLANATION? IT'S A RED  
FLAG. MAKE SURE THEY'RE BACKED  
BY REAL GROWTH.



# LISTEN TO MANAGEMENT

WHAT THE COMPANY'S TOP DOGS  
SAY MATTERS. THEIR  
EXPLANATIONS SHOULD MATCH  
THE NUMBERS ON THE REPORT.





# GET TO KNOW ACCOUNTING RULES

FAMILIARIZE YOURSELF WITH HOW  
COMPANIES DO THEIR MATH.  
CHANGES IN THESE RULES COULD  
SIGNAL TROUBLE.



# NO HIDDEN DEBTS



SOME COMPANIES HIDE DEBTS OFF  
THE BOOKS. BE ON THE LOOKOUT  
FOR THESE SNEAKY MOVES.





# FOLLOW THE CASH

POSITIVE EARNINGS BUT  
NEGATIVE CASH FLOW? THAT'S A  
PROBLEM. CHECK IF THE CASH  
BACKS UP THE NUMBERS.



# TRUST THE AUDITORS

AUDITORS KEEP COMPANIES  
HONEST. IF THEY'RE CONCERNED,  
IT'S WORTH PAYING ATTENTION.



# FACT CHECK

DOUBLE-CHECK THE REPORT  
AGAINST TRUSTED SOURCES LIKE  
NEWS ARTICLES AND INDUSTRY  
REPORTS.



# LEGAL MATTERS

LEGAL ISSUES CAN HIT A  
COMPANY'S WALLET HARD. IF  
THERE'S TROUBLE ON THE  
HORIZON, THE REPORT MIGHT HINT  
AT IT.





# TECH HELP

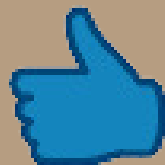
TOOLS EXIST THAT SPOT UNUSUAL  
STUFF IN FINANCIAL DATA.  
THEY'RE LIKE YOUR LIE  
DETECTORS!



**FOLLOW FOR MORE**



**Ajinkya Kasabi**



Like



Celebrate



Love



Insightful



Curious