



# Getting What You Pay for The Importance of Financial Due Diligence

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**SCENARIO A:** Our law firm is considering acquiring another law firm in a market that we have been trying to infiltrate.

**SCENARIO B:** My client, a sole-practitioner physician, has the opportunity to purchase an interest in a larger medical practice.

Performing financial due diligence for a merger or acquisition involves more than simply reviewing the target's financial statements.

- ◆ Do the financial statements reasonably reflect the operations of the business?
- ◆ Could there be hidden assets or liabilities that are not represented on the balance sheets?
- ◆ Are there discrepancies between the financial statements and tax returns?

SP&H is an expert at financial due diligence. Just as a physician can prescribe the right medication to help you feel better, SP&H can determine whether financial information reasonably reflects the operations of a business in a quick and cost-efficient manner.