

[Date]

[Recipient Name]

[Title, e.g., Chief Executive Officer/Board of Directors]

[Company Name]

[Company Address]

Subject: Advisory Regarding Financial Stability and Going Concern Assessment

Dear [Recipient Name],

We are writing to provide formal advisory regarding the financial stability of [Company Name] (the "Company") and its ability to continue as a going concern for the foreseeable future, typically defined as twelve months from the date of the financial statements.

Based on our recent review of the Company's financial position, we have identified the following indicators that may impact the Company's operational stability:

- [Insert specific indicator, e.g., Recurring operating losses]
- [Insert specific indicator, e.g., Working capital deficiencies]
- [Insert specific indicator, e.g., Non-compliance with loan covenants]
- [Insert specific indicator, e.g., Dependence on short-term external financing]

Accounting standards require management to perform a rigorous assessment of the Company's ability to meet its obligations as they become due. If there is substantial doubt about the Company's ability to continue as a going concern, this must be disclosed within the notes to the financial statements.

Recommendations for Management Action:

1. **Cash Flow Forecasting:** Develop a detailed 12-month rolling cash flow forecast to monitor liquidity.
2. **Capital Restructuring:** Evaluate opportunities for debt refinancing or equity injections.
3. **Cost Optimization:** Identify non-essential expenditures that can be deferred or eliminated.
4. **Contingency Planning:** Establish a formal plan to mitigate the risks identified above.

Please note that this letter is for advisory purposes and does not constitute a legal or audit opinion. We recommend a meeting to discuss these findings and the Company's proposed mitigation strategies in further detail.

Sincerely,

[Your Signature]

[Your Name]

[Your Title/Organization]