



# **Finance and Risk Management**

## **Handout 2A**

### **An Example Of A Balance Sheet As At A Specific Date**

An Example of a Balance Sheet as at a Specific Date (A Simplified Version)

<b>CAPITAL ASSETS</b>			<b>CAPITAL</b>	
Land		10 000	Owner's capital	85 000
Buildings		70 000	(plus) accumulated profits after tax	47 002 **
Vehicles	5 000		<b>Total owner's worth or equity</b>	<u>132 002</u>
Less: Depreciation (10%)	<u>500</u>	4 500		
Machinery and equipment	10 000		<b>NON-CURRENT LIABILITIES</b>	
Less: Depreciation (10%)	<u>1 000</u>	9 000	Long term loan (Business Partners)	15 770
Fixtures and fittings	5 000		<b>Total long term liabilities</b>	<u>15 770</u>
Less: Depreciation (10%)	<u>500</u>	<u>4 500</u>		
<b>Total fixed assets</b>		<u>98 000</u>	<b>CURRENT LIABILITIES</b>	
<b>CURRENT ASSETS</b>			Creditors	4 800
Stock	10 000		Taxation	<u>-</u>
Debtors	15 000		<b>Total current liabilities</b>	<u>4 800</u>
Cash at bank	<u>29 572</u> *		<b>TOTAL LIABILITIES</b>	<u>20 570</u>
<b>Total current assets</b>		54 572	<b>TOTAL LIABILITIES + CAPITAL</b>	<u><u>152 572</u></u> ***
<b>TOTAL ASSETS</b>		<u><u>152 572</u></u> ***		

\* See cash flow for tie-up  
 \*\* See Income Statement for tie-up  
 \*\*\* Equals