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THE BALANCE SHEET: STANDARD FORMAT

The standard format to learn and use

The table below shows an example of a balance sheet with key terms and explanatory notes. The figures have been presented in two columns, the required IB Business and Management format, to help understand how sub-totals are arrived at.

	$m	$m
ASSETS		
Fixed (non-current assets):		
Property	300	
Vehicles	45	
Equipment	67	
Intangible assets	30	
		442
Current assets:		
Stocks (inventories)	34	
Debtors (accounts receivable)	28	
Cash	4	
	66	
CURRENT LIABILITIES		
Creditors (accounts payable)	42	
Short-term loans	31	
	73	
Net current assets		**(7)**
NET ASSETS		**435**
Long-term (non-current) liabilities:		
Long-term loans		125
SHAREHOLDERS' EQUITY:		
Share capital	200	
Retained earnings	110	
		310
Capital employed		**435**

Assets to be kept and used by the business for more than one year

Items of value that do not have a physical presence, such as patents and trademarks

Assets that are likely to be turned into cash before the next balance sheet date

Stocks held by the firm in the form of materials, work in progress & finished goods

The value of payments to be received from customers who have bought goods on credit

Debts of the business that will usually have to be paid within one year

Value of debts for goods bought on credit payable to suppliers

Current assets – current liabilities

Value of debts of the business that will be payable after more than one year

This **balances** with net assets!

*Source: www.IB**Business**and**Management**.com*