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## Balance Sheet

$$\text{ASSETS} = \text{LIABILITIES} + \text{SHAREHOLDER'S EQUITY}$$

### Assets

Assets are the future economic benefits that are controlled by an organization as a result of past transactions or other past events.

- *Cash at Bank*: Records deposits and withdrawals from bank
- *Accounts receivable*: Amounts owing from customers for goods and services
- *Inventory*: Stock on hand, unsold stock
- *Property, plant, equipment, (PPE) etc.*: Land, equipment, vehicles etc.
- *Intangible*: Non current assets with no physical substance (©)

Characteristics:

- *Future Economic Benefits*: Assets are used to provide goods and services for exchange (generating cash flows)
- *Controlled by the entity*
- *Occurrence of past transactions*: Obtained by past events

Current Assets: Expected to be used, sold or collected within the next year

Non Current Assets: Expected to have benefits for more than a year

### Liabilities

Liabilities are the future sacrifices of economic benefits that an organisation is presently obliged to make to other organisations or individuals as a result of past transactions or events.

- *Accounts Payable*: Amount owed to various suppliers for provided goods or services
- *Wages Payable*: Work done by employees, not yet paid
- *Workers Provisions*: Holiday/sick leave, superannuation
- *Long Term Loans*: Not repayable in the year
- *Accrued Expenses*: Expenses incurred during the year but not yet owed or paid

Current Liabilities: Expected to be paid within the year

Non Current Liabilities: Expected to be paid more than a year into the future