

Report TNB15: Balance Sheet

Balance sheet shows kind of assets, structure of capital and financing of company at the end of period (due date). Liabilities show the sources funds come from and the use of assets.

ASSETS	LIABILITIES
Application of funds	Sources of funds
Output	Input

Assets (mEUR)			Liabilities (mEUR)		
	Current Period	Previous Period		Current Period	Previous Period
Fixed Assets	27.35	33.00	Equity	31.27	28.00
Property and Buildings	7.75	8.00	Share Capital	15.00	15.00
Machines and Production Facilities	19.60	25.00	Capital Reserves	2.50	2.50
Current Assets	44.80	47.00	Retained Earnings	7.50	7.50
Input Materials	7.91	12.50	Profit / Loss Carried Forward	2.00	0.00
Finished Products	10.23	16.16	Net Income / Loss	4.27	3.00
Trade Receivables	25.80	17.84	Pension Reserves	13.87	12.00
Securities	0.00	0.00	Pension Reserves	13.87	12.00
Cash Balance	0.85	0.50	Liabilities	27.00	40.00
			Long-term Loans > 5 Periods	0.00	0.00
			Short-Term Loans < 1 Period	27.00	40.00
			Overdraft Loans	0.00	0.00
Balance Sheet Total	72.15	80.00	Balance Sheet Total	72.15	80.00

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Fixed Assets:

→ *Land and Buildings:*

8.00 mEUR minus depreciation of 0.25 mEUR
(see THB 7)

→ *Machinery and Equipment:*

25.00 mEUR minus depreciation of the production lines
(see THB7) plus the money spend as investment in
environmental technology (1.50 mEUR, see THB03)
minus depreciation of those 1.50 mEUR
(over 10 years)
 $25.00 - 6.75 + 1.50 - 0.15 = 19.60$ mEUR

Assets (mEUR)	Current Period	Previous Period
Fixed Assets	27.35	33.00
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Machines and Production Facilities	19.60	25.00
Current Assets	44.80	47.00
Input Materials	7.91	12.50
Finished Products	10.23	16.16
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Securities	0.00	0.00
Cash Balance	0.85	0.50
Balance Sheet Total	72.15	80.00

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Current Assets:

- **Value of the final inventory of *Input materials* and *Finished goods*:**
see THB7
- **Trade Receivables (*Forderungen*):**
20% of the company's revenue of 129 mEUR
(see Report No. 2)
this percentage is fixed due to the customer payment patterns (see Participant's Manual chapter 3.6.1)
- **Securities:**
value of the securities purchased in this period
- **Cash:**
Final cash balance from the Cash Accounting Report (THB12)

Assets (mEUR)		
	Current Period	Previous Period
Fixed Assets	27.35	33.00
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Machines and Production Facilities	19.60	25.00
Current Assets	44.80	47.00
Input Materials	7.91	12.50
Finished Products	10.23	16.16
Trade Receivables	25.80	17.84
Securities	0.00	0.00
Cash Balance	0.85	0.50
Balance Sheet Total	72.15	80.00

The sum of fixed and current Assets shows in the Balance Sheet Total of 72.15 mEUR

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Equity:

- **Share capital and Capital Reserves:**
fixed figures which were set when company was founded or the first shares were offered on the stock market
- **Retained earnings:**
Money the company have earned so far
- **Profit/Loss and Net Income/Loss carried forward:**
Figures come from the Profit and Loss statement (THB11)

Liabilities (mEUR)

	Current Period	Previous Period
Equity	31.27	28.00
Share Capital	15.00	15.00
Capital Reserves	2.50	2.50
Retained Earnings	7.50	7.50
Profit / Loss Carried Forward	2.00	0.00
Net Income / Loss	4.27	3.00
Pension Reserves	13.87	12.00
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Liabilities	27.00	40.00
Long-term Loans > 5 Periods	0.00	0.00
Short-Term Loans < 1 Period	27.00	40.00
Overdraft Loans	0.00	0.00
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Pension Reserve:

- Value from previous Period plus the total amount of the pension reserve for all departments for the current period (THB6)

→ $12.00 + 1.87 = 13.87$ mEUR
 → could be seen as owner's equity but you do not have a chance to get this money

→ line is printed twice (software problem)

Due to Banks = Liabilities:

→ List of all the companies current loans

Liabilities (mEUR)		
	Current Period	Previous Period
Equity	31.27	28.00
Share Capital	15.00	15.00
Capital Reserves	2.50	2.50
Retained Earnings	7.50	7.50
Profit / Loss Carried Forward	2.00	0.00
Net Income / Loss	4.27	3.00
Pension Reserves	13.87	12.00
Pension Reserves	13.87	12.00
Liabilities	27.00	40.00
Long-term Loans > 5 Periods	0.00	0.00
Short-Term Loans < 1 Period	27.00	40.00
Overdraft Loans	0.00	0.00
Balance Sheet Total	72.15	80.00

The sum of all liabilities in the Balance Sheet Total of 72.15 mEUR (equal to total assets)

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Potential statements of balance sheets:

$$\text{Intensity of investments: } \frac{\text{Fixed assets}}{\text{Balance sheet total}} = \frac{27,35 \text{ MEUR}}{72,15 \text{ MEUR}} = 37,9 \%$$

(a good indication is that fixed assets are more or less on the same level than your owner's equity + maybe long-term loans)

$$\text{Intensity of inventory: } \frac{\text{inventory}}{\text{Balance sheet total}} = \frac{(7,91 + 10,23) \text{ MEUR}}{72,15 \text{ MEUR}} = 25,1 \%$$

(always compare it with previous period and compare it with business operation)

Report TNB16: Balance Sheet

Potential statements of balance sheets:

Equity ratio:

$$\frac{\text{Owner's equity}}{\text{Balance sheet total}} = \frac{31,27 \text{ MEUR}}{72,15 \text{ MEUR}} = 43,3 \%$$

Should be round about 30 %, better 40%; becomes critical below 20%

liquidity (1/2/3):

$$\begin{aligned} \text{1: } & \frac{\text{cash balance}}{\text{Short-term loans}} = \frac{0,85 \text{ MEUR}}{27,00 \text{ MEUR}} = 3 \% \\ \text{2: } & \frac{1 + \text{accounts receivable}}{\text{Short-term loans}} = \frac{26,65 \text{ MEUR}}{27,00 \text{ MEUR}} = 98,7 \% \\ \text{3: } & \frac{2 + \text{input material} + \text{finished goods}}{\text{Short-term loans}} = \frac{44,80 \text{ MEUR}}{27,00 \text{ MEUR}} = 165,9 \% \end{aligned}$$

Here you could classify: liquidity 2nd order to be good, liquidity 3rd order to be high.