



CHAPTER – 8

Quick Revision Notes

FINANCIAL STATEMENTS OF A COMPANY

Horizontal form of Company's Balance Sheet: Balance Sheet of Co. Ltd.

as on

Figures for the previous year Rs.	Liabilities	Figures for the Current year Rs.	Figures for the previous year Rs.	Assets	Figures for the Current year Rs.
	SHARE CAPITAL : <i>Authorized Capital</i> Shares of Rs.....each <i>Issued Capital :</i> Shares of Rs.....each <i>Subscribed Capital</i> Shares of Rs. each <i>Called and Paid Up Capital</i> Shares of Rs. each Rs. called up <i>Less: Calls-in-Arrears.....</i> Add : Shares Forfeiture or Forfeited A/c Calls in Advance A/c RESERVES & SURPLUS 1. Capital Reserve 2. Capital Redemption Reserve 3. Securities Premium 4. Other Reserves <i>Less : Debit balance of P& L Appropriation A/c (if any)</i> 5. Surplus, <i>i.e.</i> credit balance of P&L Appropriation A/c 6. Proposed Additions to Reserves 7. Sinking Fund SECURED LOANS 1. Debentures 2. Loans and Advances from Banks			FIXED ASSETS : 1. Goodwill 2. Land 3. Buildings 4. Leaseholds 5. Railway Sidings 6. Plant & Machinery 7. Furniture & Fittings 8. Development of Property 9. Patents, Trade Marks & Designs 10. Live Stock 11. Vehicles etc. INVESTMENTS : 1. Govt. or Trust Securities 2. Shares, Debentures & Bonds (separately) 3. Investment in Immovable Properties 4. Investment in the capital of Partnership Firms CURRENT ASSETS, LOANS & ADVANCES : (A) Current Assets 1. Interest accrued on Investments 2. Stores and Spare Parts 3. Loose Tools	



	<p>3. Loans and Advances from Subsidiaries</p> <p>4. Other Loans and Advances</p> <p>5. Interest accrued and due on Secured Loans</p> <p>UNSECURED LOANS :</p> <p>1. Fixed Deposits</p> <p>2. Short-term Loans and Advances</p> <p>3. Loans and Advances from Subsidiaries</p> <p>4. Other Loans and Advances</p> <p>5. Interest accrued and due on Unsecured Loans</p> <p>CURRENT LIABILITIES AND PROVISIONS :</p> <p>(A) Current Liabilities :</p> <p>1. Acceptances (B/P)</p> <p>2. Sundry Creditors</p> <p>3. Amount due to Subsidiary Companies</p> <p>4. Outstanding Expenses</p> <p>5. Unclaimed Dividends</p> <p>6. Interest accrued but not due on loans</p> <p>7. Other Liabilities</p> <p>(B) Provisions :</p> <p>8. Provisions for Taxation</p> <p>9. Proposed Dividends</p> <p>10. Provision for Contingencies</p> <p>11. Provision for Provident Fund Schemes</p> <p>12. Provisions for Insurance, Pension and similar Staff Benefit Schemes</p>		<p>4. Stock-in-Trade</p> <p>5. Work in Progress</p> <p>6. Sundry Debtors</p> <p>(a) Debtors outstanding for period of 6 months</p> <p>(b) Other debtors</p> <p>Less: Provisions for Doubtful Debits</p> <p>7. (a) Cash Balance (b) Bank Balance</p> <p>(i) With scheduled Bank</p> <p>(ii) With others</p> <p>(b) Loans and Advances :</p> <p>8. (a) Loan and Advances to Subsidiaries.</p> <p>(b) Advances and Loans to partnership firms in which the company or any its subsidiaries is a partner</p> <p>9. Bills of Exchange</p> <p>10. Advances recoverable in cash or kinds, e.g. Rates, Taxes, Insurance etc.</p> <p>11. Balance with Customs, Port Trust etc.</p> <p>MISCELLANEOUS EXPENDITURE :</p> <p>1. Preliminary Expenses</p> <p>2. Expenses, including Commission and Brokerage on issue of Share and Debentures</p> <p>3. Discount allowed on the issue of Shares and Debentures</p> <p>4. Interest paid out of capital during construction period</p>	
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	<p>13. Other Provisions such as Premium for Redemption on Debentures</p> <p>CONTINGENT LIABILITIES: (by way of notes only) <i>e.g.</i></p> <ol style="list-style-type: none"> 1. Claims against the company not acknowledged as debts 2. Uncalled liability on partly paid shares 3. Arrears of fixed cumulative dividends 4. Estimated amount of contracts to be executed on capital account and not provided for 5. Other amount for which the company is contingently liable. 			<ol style="list-style-type: none"> 5. Development expenditure not adjusted 6. Other sums (specifying nature) <p>PROFIT AND LOSS ACCOUNT :</p> <p>Dr. Balance of P&L A/c (if any)</p> <p>This is shown only when debit balance could not be deducted from free or other reserves.</p>	
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- Notes:**
- (1) Fixed assets are shown at original cost *less* total depreciation to date.
 - (2) Contingent liabilities are not included in the total of the liabilities side.
 - (3) Paise of each item may be ignored.
 - (4) Headings are given in capital letters.
 - (5) To show the figures of the previous year on both the sides of the Balance sheet in order to facilitate a comparative study
 - (6) A footnote to the Balance Sheet may be added to show separately all contingent liabilities.