



ASSETS: Where money is tied up:  
 \* Cash, Receivables and Stocks (= Current Assets)  
 \* Also - Fixed Assets (once off nature)

LIABILITIES: Where money has come from  
 \* Suppliers, Deferred Taxes, Overdrafts (= Current Liabilities)  
 \* Retained Profits  
 \* Also loans, lease and HP Commitments (once off nature).

#### SOLVENCY RATIOS:

Current Ratio  
 = CA's / CL's  
 = 2:1

Acid Test Ratio  
 = (CA's less Stock) / CL's  
 = 1:1

All Companies must file at least a Balance Sheet with the Companies Registrations Office so that anyone can determiner the solvency postion of a company - a cheap credit check for €2.50.