* + - 1. **Statement of Financial Position (SFP)**
      2. This is what a typical SFP looks like:
      3. **Statement of Financial Position (or Balance Sheet) as at 31 December 20XX**

|  |  |  |
| --- | --- | --- |
|  | £ | £ |
| **Non-current (Fixed) assets** |  | 50,000 |
|  |  |  |
| **Current assets** |  |  |
| Inventory (Stock) | 12,000 |  |
| Trade receivables (Debtors) | 19,000 |  |
| Cash | 4,000 |  |
|  | 35,000 |  |
| **Current liabilities**  **TOP HALF** |  |  |
| Trade payables (Creditors) | (12,000) |  |
|  |  |  |
| Net current assets |  | 23,000 |
|  |  |  |
| **Non-current liabilities** |  |  |
| Bank loan |  | (10,000) |
|  |  |  |
| Net assets |  | **63,000** |
|  |  |  |
| **Proprietor’s interest** |  |  |
| Capital  **BOTTOM HALF** | 50,000 |  |
| Profit | 27,000 |  |
| Less: Drawings | (14,000) |  |
|  |  | **63,000** |

* + - 1. The SFP is made up of two ‘halves’. The top half shows the total of all assets owned by the organisation and all liabilities owed to third parties. In this case, the assets exceed the liabilities by a total of £63,000.
      2. The bottom half shows what is owed to the owner of the organisation (the ‘proprietor’). As the owner owns the whole organisation, the total of the bottom half should ‘balance’ with the total from the top half. This is why the SFP is sometimes called the ‘Balance Sheet.’