Name	Description	What does it show?
Balance Sheet	A balance sheet is a financial statement that summarizes a company's assets, liabilities and shareholders' equity at a specific point in time. It provides a snapshot of what a company owns and owes, as well as the amount invested by shareholders.	The assets on a balance sheet include current assets like cash, accounts receivable and inventory, along with long-term assets like property, plants and equipment. Liabilities consist of current liabilities like accounts payable and long-term debt. Shareholders' equity represents the amount invested by shareholders, retained earnings and additional paid-in capital. The balance sheet provides an overview of a company's health and financial position at a given point in time.
Income Statement	An income statement is a financial statement that summarizes a company's revenues, expenses and profit over a specified period of time, usually quarterly or annually. It is also referred to as a profit and loss statement.	The income statement displays a company’s revenues and expenses over time and shows the company’s ability to generate profit by increasing revenue and reducing costs. It is important in assessing the financial performance of a company over time.
Cash Flow Statement	A cash flow statement is a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a company during a specified period of time, usually quarterly and annually. It measures how well a company manages its cash position, meaning how well the company generates cash to pay its debt obligations and fund its operating expenses.	The cash flow statement shows the company's ability to generate future cash flows, meet obligations, pay dividends and determine causes for cash flow changes over time.

Focus on in the balance sheet : The basic purpose of the balance sheet is to reveal the financial status of an organisation, *different users may focus on different information* within the statement, depending on their own needs.

Shareholders might want to learn about the amount of cash on the balance sheet to see if there is enough available to pay them a dividend and run the *business effectively.*
Based on this judgment, they might need to consider investing additional funds in the business.

Creditors might focus on the total amount of debt on the balance sheet relative to the total amount of financing provided by the owners of the company (i.e., equity) to assess whether the company has borrowed too much and might be in danger of not being able to pay the debt back.

A potential acquirer of the business might analyse the balance sheet to see if there are any assets (e.g., excess property or equipment) that could potentially be sold without harming the underlying business.

What is on a balance sheet?

1. The assets on a balance sheet include current assets like cash, accounts receivable and inventory, along with long-term assets like property, plants and equipment.
2. Liabilities consist of current liabilities like accounts payable and long-term debt.
3. Shareholders' equity represents the amount invested by shareholders, retained earnings and additional paid-in capital.

Name	Definition
Assets	An asset is an economic resource controlled by the firm that has the potential to provide future economic benefits. For instance, a firm’s investment in a production facility, such as a building, is an example of an asset. Assets fall into the following categories: ● Short-term assets also known as current assets ● Long-term assets also known as non-current assets ● Tangible assets ● Intangible assets
Liabilities	Liabilities represent the debts and obligations a company owes to outside parties. This includes both current liabilities like accounts payable, wages, taxes payable that the company expects to pay off within a year, as well as long-term liabilities like bonds payable, leases, and pensions that exceed a year. Liabilities are settled over time through the transfer of economic benefits including cash, goods, or services. On the balance sheet, liabilities are listed in order of how soon they must be paid off, starting with current liabilities. By examining total liabilities, one can determine a company's debts and financial obligations at a point in time.
Shareholder's Equity	Shareholder's equity represents the amount of money initially invested into a company plus any retained earnings. It reflects the total assets of a company that can be claimed by shareholders, rather than creditors. On the balance sheet, shareholder's equity is calculated by taking total assets and subtracting liabilities. It includes common stock, preferred stock, retained earnings, and other comprehensive income. Shareholder's equity essentially shows the net worth of a company and the amount of assets remaining if all debts were paid off. A higher shareholder's equity generally indicates a more financially stable company.