



VERTICAL STATEMENT OF COMPANY'S BALANCE SHEET

Format of Vertical Balance Sheet

Vertical Balance Sheet as on _____

Particulars	Schedule			
Sources of funds:				
(1) Shareholder's funds:				
(A) Share Capital:				
___% ___ Preference Share of ` ___ each ` ___ paid up		XX		
___ Equity Shares of ` ___ each `. ___ paid up		XX	XXX	
(B) Reserves and Surplus:				
Profit & Loss A/c		XX		
General Reserve		XX		
Capital Reserve		XX		
Less: Fictitious Assets: (to the extent not w/off)				
Discount on issue of shares	XX			
Underwriting Commission	XX			
Preliminary Expenses	XX	(XX)	XXX	
Total Shareholder's Funds (A + B)				XXX

(2) Borrowed funds:			
(A) Secured loans:			
___ % Debentures			
Long Term Loans	XX		
Loan from Bank	XX		
Public Deposits	XX	XXX	
(B) Unsecured Loans:			
Short Term Loans		XX	
Total Borrowed Funds (A + B)			XXX
Total Sources of Funds (1 + 2)			XXX

Particulars			
Application of funds:			
(1) Fixed assets:			
(A) Intangible Assets:			
Goodwill	XX		
Patents	XX		
Copy Right	XX		
Trade Marks	XX	XXX	
(B) Tangible Assets:			
Land & Building	XX		
Plant & Machinery	XX		
Furniture & Fitting	XX		
Motor Vehicle	XX		
Long/Trade Investment	XX	XXX	
Total Fixed Assets (A + B)			XXX
(2) Investments (Only Investment)			XXX
(3) Working capital:			
(A) Current Assets:			
(i) Quick Current Assets:			
Cash/Bank	XX		
Bills Receivable	XX		
Debtors (net)	XX		
Loans & Advance	XX		

Loose Tools	XX			
Short Term/Marketable Investment	XX	XX		
(ii) Non – Quick Current Assets:				
Closing Stock/Inventory	XX			
Prepaid Expenses	XX	XX		
Total Current Assets (i + ii)			XXX	
(B) Less: Current Liabilities:				
(i) Quick Current Liabilities:				
Creditors	XX			
Bills Payable	XX			
Outstanding Expenses	XX			
Provision for Tax	XX			
Unclaimed/Proposed Dividend	XX	XX		
(ii) Non – Quick Current Liabilities:				
Bank Overdraft		XX		
Total Current Liabilities (i + ii)			(XXX)	
Total Working Capital (A – B)				XXX
Total Application of Funds (1 + 2 + 3)				XXX

Format of Vertical Profit & Loss Account

_____ & Co.

Vertical Revenue Statement for the year ended _____

Particulars			
Sales:			
Cash Sales	XX		
Credit Sales		XX	
Total Gross Sales			XXX
Less: Returns & Allowance			XX
Total Net Sales			XXX
Less: Cost of Goods Sold:			
(1) Raw Material Consumed (RMC):			
Opening Stock of Raw – Material	XX		

<i>Add:</i> Purchase of Raw – Material	XX			
<i>Less:</i> Purchase Return	<u>(XX)</u>	XX		
<i>Add:</i> Freight/Carriage Inward		XX		
		XXX		
<i>Less:</i> Closing Stock of Raw- Material		(XX)		
			XXX	
Raw Material Consumed				
(2) Work – In – Progress:				
Opening Stock of Work – In – Progress		XX		
<i>Add:</i> Direct Expenses:				
Factory Expenses	XX			
Depreciation on Factory Assets	<u>XX</u>	XX		
		XXX		
<i>Less:</i> Closing Stock of Work – In – Progress		(XX)	XX	
			XXX	
Cost of Production				
(3) Finished Goods:				
Opening Stock of Finished Goods		XX		
<i>Less:</i> Closing Stock of Finished Goods		(XX)	XX	
				(XXX)
Total Cost of Goods Sold (1 + 2 + 3)				
Gross Margin				
<i>Add:</i> Operating Income:				
Discount Received			XX	
Bad – Debts Received			XX	XX
				XXX
	Balance c/f			

Particulars			
	Balance b/f		XXX
<i>Less:</i> Operating expenses:			
(1) Administrative Expenses:			
Salaries to staff		XX	
Office Rent, Rates and Taxes		XX	
Depreciation on Furniture & Fixtures		XX	
Postage & Telegram		XX	
Printing & Stationery		XX	

Director's Remuneration	XX		
Audit Fees	XX	XX	
(2) Selling & Distribution Expenses:			
Salaries to Salesmen	XX		
Showroom's Rent	XX		
Depreciation on Delivery Van	XX		
Travelling Expense of Salesmen	XX		
Carriage Outward	XX		
Advertisement & Publicity	XX		
Bad – Debts	XX	XX	
(3) Finance Expenses:			
Cash Discount to customers	XX		
Bank Charges	XX	XX	
Total Operating Expenses (Except Interest) (1 + 2 + 3)			XXX
Operating Profit Before Interest			XXX
<i>Less:</i> Interest:			
Interest on Debentures		XX	
Interest on Bank Loan		XX	
Interest on Other Loan		XX	(XX)
Net Operating Profit (After Interest)			XXX
<i>Add:</i> Non – operating income:			
Dividend on Shares		XX	
Interest on Debentures		XX	
Interest on Investment/Loan given		XX	
Profit on sale of Investment/Assets		XX	XX
			XXX
<i>Less:</i> Non – operating expenses:			
Loss on sale of Investment/Assets		XX	
Goods lost by fire/theft		XX	
Legal Penalty		XX	(XX)
Net Profit Before Tax (NPBT) c/f			XXX

Particulars			
Net Profit Before Tax b/f			XXX
<i>Less:</i> Provision for Tax			XX
Net Profit After Tax (NPAT)			XXX
<i>Add:</i> Profit of Last year (or less loss of last year)			XX
Profit Available for Appropriation			XXX
<i>Less:</i> Appropriation:			
Transfer to General Reserve		XX	
Transfer to Other Reserve		XX	(XX)
Profit Available for Dividend			XXX
<i>Less:</i> Dividend:			
Interim Dividend paid		XX	
Preference Dividend		XX	
Proposed Equity Dividend		XX	(XX)
Retained Earning			XXX

Illustration 1. The consolidated Balance Sheet of Y Ltd. as on 31st.3. 2013 is as follows:

Liabilities		Assets	
Equity Share Capital	6,00,000	Fixed Assets	9,00,000
Reserves	2,00,000	Stock	3,00,000
6% Debentures	5,00,000	Marketable Investments	1,00,000
Current Liabilities	2,00,000	Debtors	1,50,000
Bank Overdraft	1,00,000	Cash & Bank Balance	1,00,000
		Preliminary Expenses	50,000
	16,00,000		16,00,000

Re-arrange the above balance sheet in vertical form.

(M.U.TYBAF)

Solution:**Balance Sheet of Y Ltd. as on 31-3-2013**

Particulars		
Sources of Funds		
(1) Share Holder's Fund		
Equity Share Capital	6,00,000	
Reserves	2,00,000	
	8,00,000	
Less: Preliminary Expenses	50,000	7,50,000
(2) Borrowed Funds:		
6% Debentures		5,00,000
Total Funds		12,50,000
Invested as under:		
Fixed Assets		9,00,000
Investment		-
Working Capital:		
(A) Current Assets		
Stock	3,00,000	
Marketable Investment	1,00,000	
Debtors	1,50,000	
Cash & Bank Balances	1,00,000	
	6,50,000	
(B) Less: Current Liabilities:		
Current Liabilities	2,00,000	
Bank Overdrafts	1,00,000	
	3,00,000	3,50,000
Total		12,50,000

Illustration 2. Following is the Balance Sheet of Yuvraj Ltd. as on 31st March, 2013:

Liabilities		Assets	
Share Capital	3,00,000	Goodwill	40,000
Share Premium	10,000	Land	1,60,000
General Reserve	1,20,000	Plant	88,000
Profit and Loss A/c	34,000	Furniture	6,000

11% Debentures	1,00,000	Trade Investments	1,60,000
Bank Loan	70,000	Accounts Receivable	1,40,000
Bank Overdraft	40,000	Inventories	1,20,000
Sundry Creditors	1,20,000	Prepaid Expenses	10,000
Provision for Taxation	20,000	Cash at Bank	80,000
		Preliminary Expenses	10,000
	8,14,000		8,14,000

Convert the above Balance Sheet in vertical form.

(TYBBI, Sem - V; April. 2007, M.U.)

Solution:

Yuvraj Ltd.
Vertical balance Sheet as on 31st March, 2013

Particulars	-	-
(I) Sources of Funds		
(1) Share Holder's Fund		
(a) Share Capital	3,00,000	
(b) Reserves and Surplus		
(i) Profit and Loss a/c	1,34,000	
(ii) General Reserve	1,20,000	
(iii) Share Premium	10,000	
	1,64,000	
Net Worth		4,64,000
(2) Loan Funds:		
(a) 11% Debentures	1,00,000	
(b) Bank Loan	70,000	1,70,000
Total Sources of Funds		6,34,000
(II) Application of Funds		
(1) Fixed Assets		
(a) Intangible Assets		
Goodwill	40,000	
(b) Tangible Assets		
(i) Land	1,60,000	
(ii) Plant	88,000	
(iii) Furniture	6,000	
	2,54,000	2,94,000

(2) Investment			1,60,000
(3) Working Capital:			
(a) Current Assets, Loans and Advances			
(i) Inventories	1,20,000	3,00,000	
(ii) Sundry Debtors	1,40,000		
(iii) Cash & Bank Balances	80,000		
(iv) Prepaid Expenses	10,000		
		3,50,000	
Less: (b) Current Liabilities:			
(i) Current Liabilities	1,60,000		
(ii) Bank Overdrafts	40,000		
(iii) Provisions	20,000	1,80,000	
Net Working Capital			1,70,000
(4) Miscellaneous Expenditure (to the extent not written off)			
Preliminary Expenses		10,000	10,000
Total Application of Funds			6,34,000

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