

THE SOLVENCY TEST WORKSHEET

Fixed Assets	Book Value	Less: Debt over Asset	Net Value
Buildings			
Vehicles			
Office Equipment			
Tools			
Computer Equipment			
Plant & Machinery			
TOTAL FIXED ASSETS		\$	<input type="text"/> A

Current Assets	Amount
Bank Account A (if CR balance)	
Bank Account B (if CR balance)	
Bank Account C (if CR balance)	
Bank Account D (if CR balance)	
TOTAL BANK ACCOUNTS	\$ <input type="text"/> B

Debtors	Book Value		Net Value
Current		x 0.95	
30 Days		x 0.80	
60 Days		x 0.50	
Over 60 Days		x 0.20	
TOTAL ADJUSTED DEBTORS		\$	<input type="text"/> C

Inventory		x 0.80	<input type="text"/> D
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Long Term Liabilities	Amount
Long Term Loan A	
Long Term Loan B	
Long Term Loan C	
Income Tax (owed but not due)	
TOTAL LONG TERM LIABILITIES	\$ <input type="text"/> E

Current Liabilities	Amount
Bank (Overdraft)	
Credit Card	
GST	
PAYE	
Income Tax	
Trade Creditors	
TOTAL CURRENT LIABILITIES	\$ <input type="text"/> F

TEST ONE: Assets greater than Liabilities

Assets

A

+ **B**

+ **C**

+ **D**

= **I**

Liabilities

+ **E**

+ **F**

= **J**

I

> **J**

= **SOLVENT**

I

< **J**

= **INSOLVENT**

TEST TWO: Ability to pay debts as they fall due

Current Assets

B

+ **C**

+ **D**

= **K**

Current Liabilities

= **F**

K

> **F**

= **SOLVENT**

K

< **F**

= **INSOLVENT**