

Extend Your Knowledge 12-1: Presentation of Capital Assets and Goodwill on the Balance Sheet



Capital assets consist of two groups:

1. Property, plant and equipment, and
2. Intangible assets, excluding goodwill.

Goodwill is an intangible asset but is shown separately on the balance sheet. The *CICA Handbook* does not prescribe a specific presentation of non-current assets used in the operations of a business. A variety of presentations are used in the real world, as shown in the following balance sheet examples of eight Canadian companies*.

1. [Molson Inc.](#) (balance sheet is on page 4 of 28)
2. [Cameco Corporation](#) (balance sheet is on page 3 of 31)
3. [Flint Energy Services Ltd.](#) (balance sheet is on page 3 of 18)
4. [Domtar Inc.](#) (balance sheet is on page 2 of 49)
5. [Reitmans \(Canada\) Limited](#) (balance sheet is on page 2 of 13)
6. [Hudson's Bay Company](#) (balance sheet is on page 3 of 21)
7. [Stake Technology Ltd.](#) (balance sheet is on page 3 of 39)
8. [TransCanada Pipelines Limited](#) (balance sheet is on page 48 of 86)

***Note:** To get the balance sheet, click on the name of the company. The link will take you to the audited financial statements. To get to the balance sheet, place the cursor on the **right-hand scroll** bar and right-click. Hold the right-click (you will see **page numbers**) and scroll down to the page number indicated to get to the balance sheet.

	2002	2002	2001
	US\$ (Note 2)	\$	Restated (Note 2)
			\$
Assets			
Current assets			
Cash and cash equivalents	24	38	36
Receivables (Note 3)	193	304	300
Inventories (Note 10)	466	736	779
Prepaid expenses	14	22	24
Future income taxes (Note 7)	48	76	29
	745	1,176	1,168
Property, plant and equipment (Note 11)	4,410	5,387	5,512
Goodwill	30	79	62
Other assets (Note 12)	130	205	213
	4,335	6,847	7,055
Liabilities and shareholders' equity			
Current liabilities			
Bank indebtedness	13	2	20 (2 of 49)
Trade and other payables (Note 10)	474	74	--
Income and other taxes payable	10	15	19
Long-term debt due within one year (Note 14)	44	70	38
	541	854	810
Long-term debt (Note 14)	1,547	2,444	2,883
Future income taxes (Note 7)	396	625	528
Other liabilities and deferred credits (Note 10)	234	370	408
Commitments and contingencies (Note 16)			
Shareholders' equity			
Preferred shares (Note 17)	28	44	48
Common shares (Note 17)	1,109	1,752	1,731
Contributed surplus (Note 17)	2	3	--
Retained earnings	477	753	645
Accumulated foreign currency translation adjustments (Note 18)	1	2	2
	1,617	2,554	2,426
	4,335	6,847	7,055