Assets = Liabilities + Equity

Asset — an asset is a resource controlled by an entity as a result of a past event/transaction and from which future economic benefits are expected to flow to the entity. — the asset does not need to be owned by the entity.

To recognize an asset, there are 2 conditions to satisfy:
(1) It is probable that future economic benefits will be obtained from the item.
(2) Can the cost of the asset item be measured reliably?

Liabilities — a present obligation of an entity arising from a past transaction/event the settlement of which is expected to result in an outflow of resources embodying economic benefits.

Equity = assets - liabilities
represents residual interest of the owners of the company.