IAS 1
Presentation
of Financial Statements

This is the handout accompanying the video course IAS 1 Presentation of Financial Statements in the IFRS Kit, www.cpdbox.com.

Please, print this handout before watching the videos to take notes if you wish.

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IAS 1 Presentation of Financial Statements => In 1975, many amendments followed

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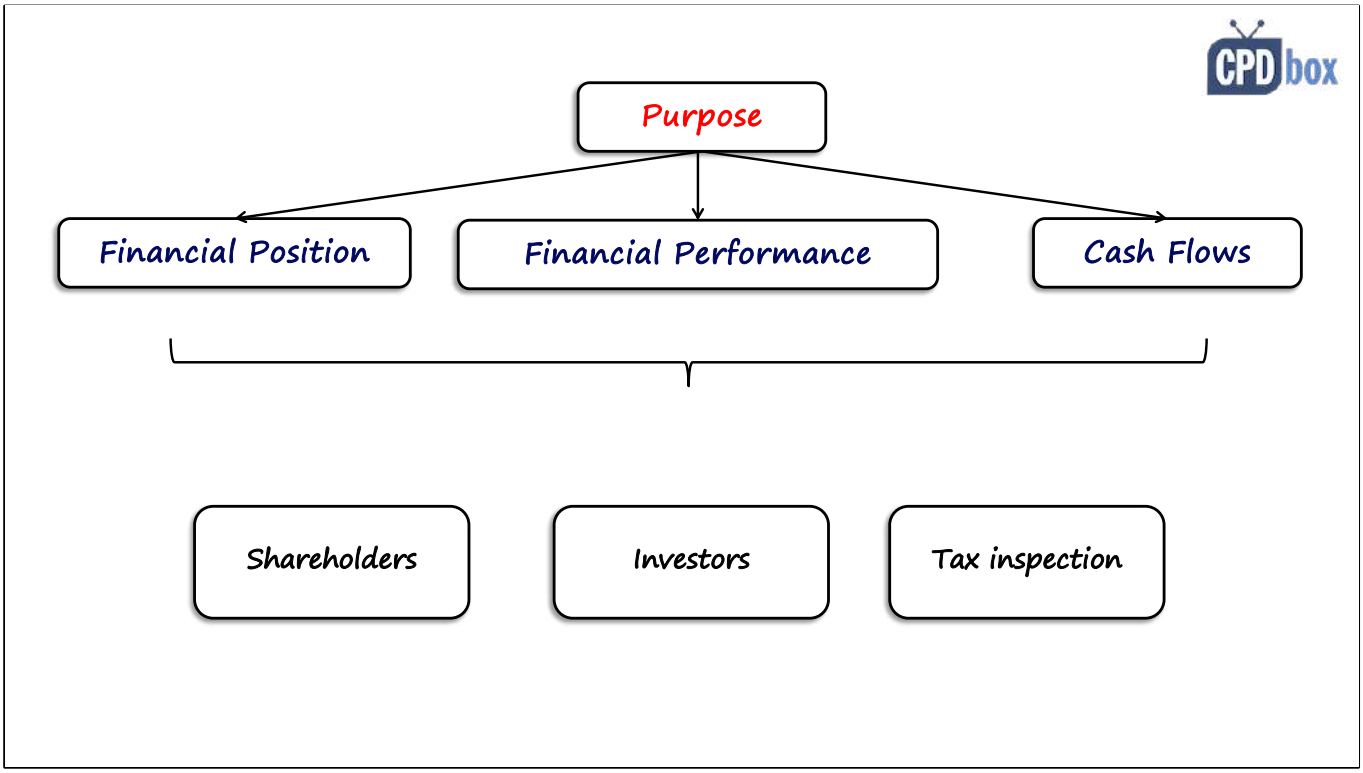
Objective => How to present financial statements

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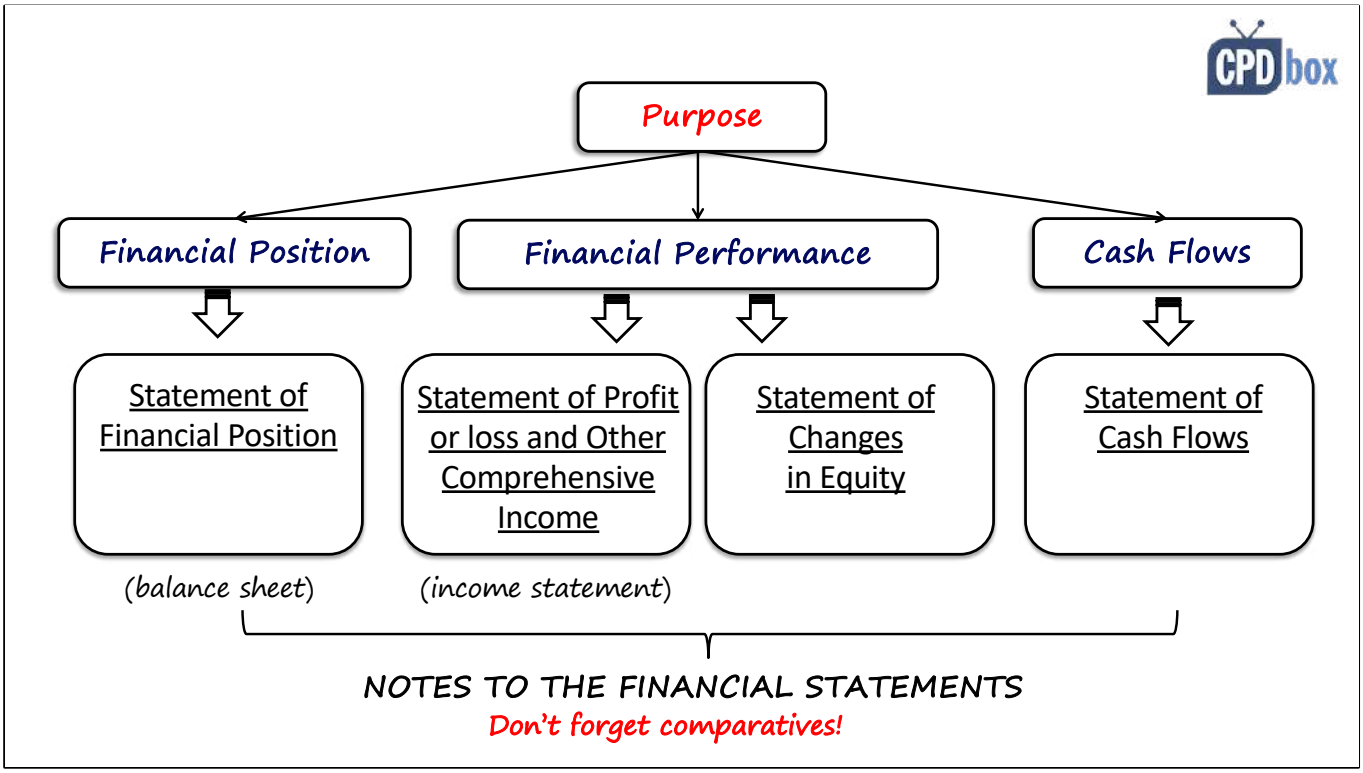
- ✓ Definitions
- ✓ Features of FS
- ✓ Structure of FS
- ✓ Content of FS

Sales	XXX
Cost of sales	XXX
.....	
Net profit/loss	XXX

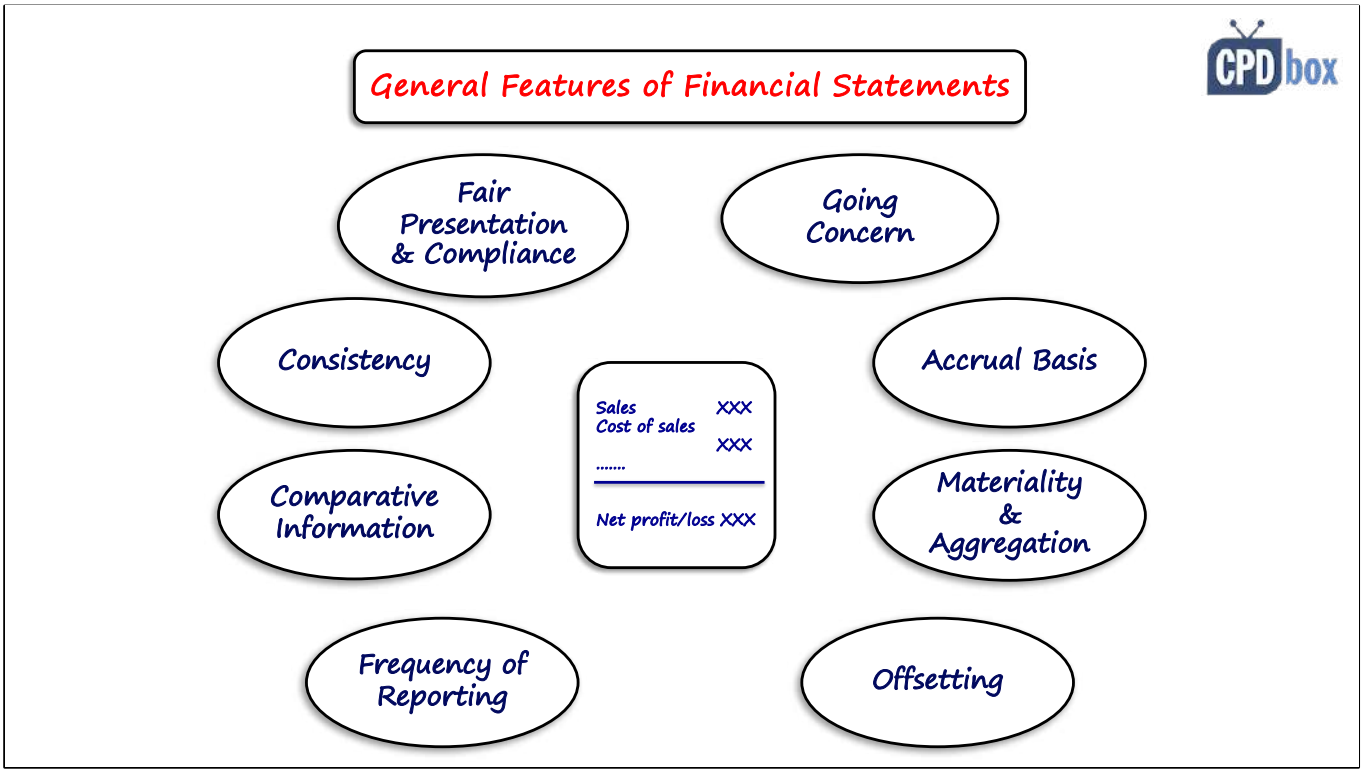
Your notes:


Purpose
Financial Position
Financial Performance
Cash Flows
Shareholders
Investors
Tax inspection

Your notes:


Purpose
Financial Position
Financial Performance
Cash Flows
Statement of Financial Position
Statement of Profit or loss and Other Comprehensive Income
Statement of Changes in Equity
Statement of Cash Flows
(balance sheet)
(income statement)
NOTES TO THE FINANCIAL STATEMENTS
Don't forget comparatives!

Your notes:


General Features of Financial Statements
Fair Presentation & Compliance
Going Concern
Consistency
Accrual Basis
Sales XXX
Cost of sales XXX
.....
Net profit/loss XXX
Comparative Information
Materiality & Aggregation
Frequency of Reporting
Offsetting

Your notes:

General Features of Financial Statements

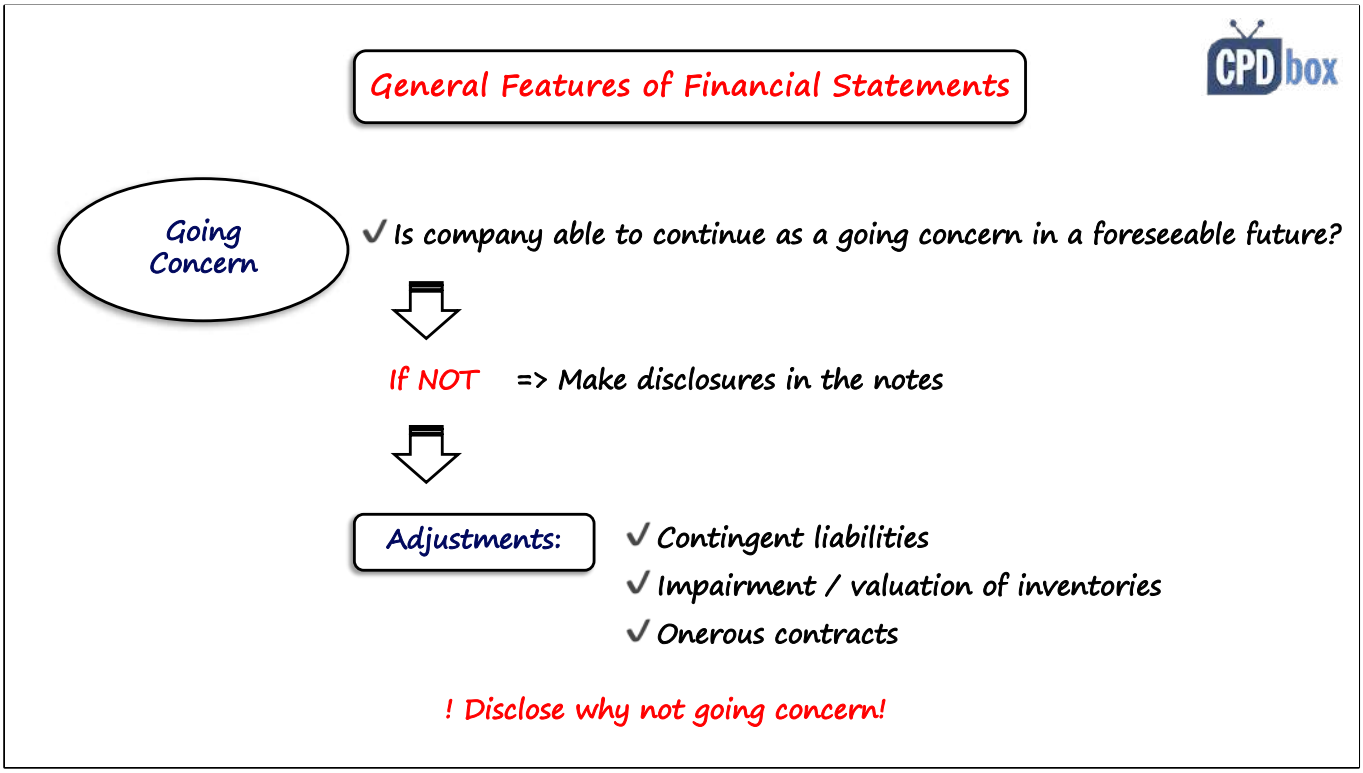
Fair Presentation & Compliance

- ✓ Compliant with IFRS
- ✓ Information = relevant, reliable, comparable, understandable
- ✓ Disclosures

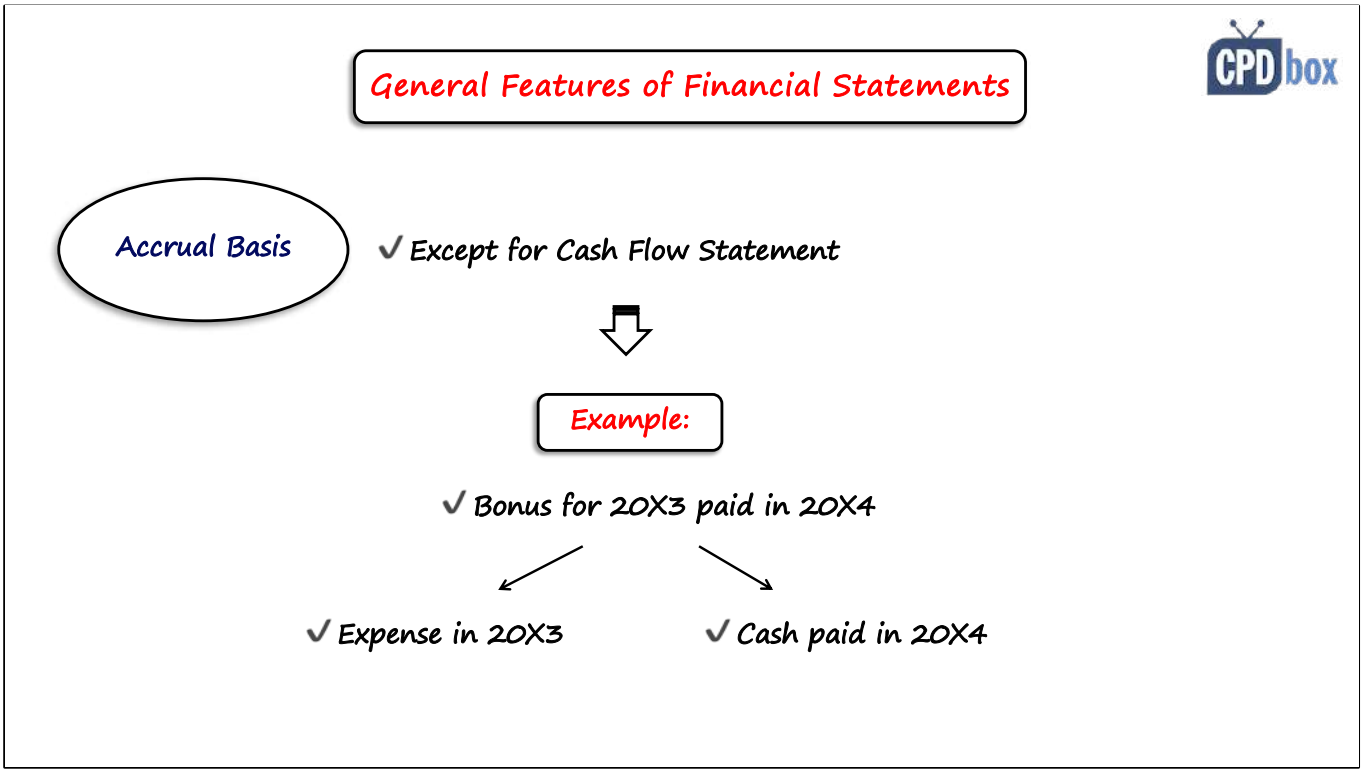
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If misleading => Make disclosures

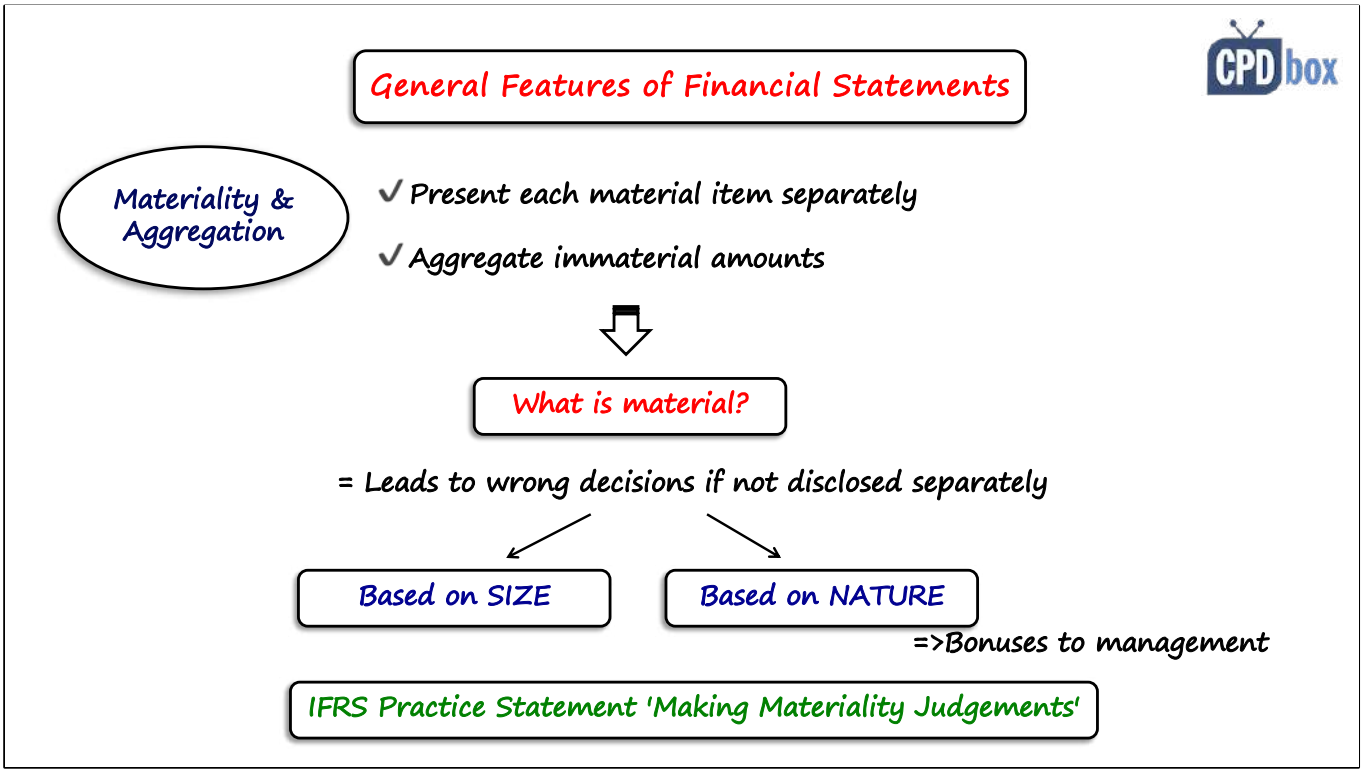
Your notes:


General Features of Financial Statements
Going Concern
✓ Is company able to continue as a going concern in a foreseeable future?
If NOT => Make disclosures in the notes
Adjustments:
✓ Contingent liabilities
✓ Impairment / valuation of inventories
✓ Onerous contracts
! Disclose why not going concern!

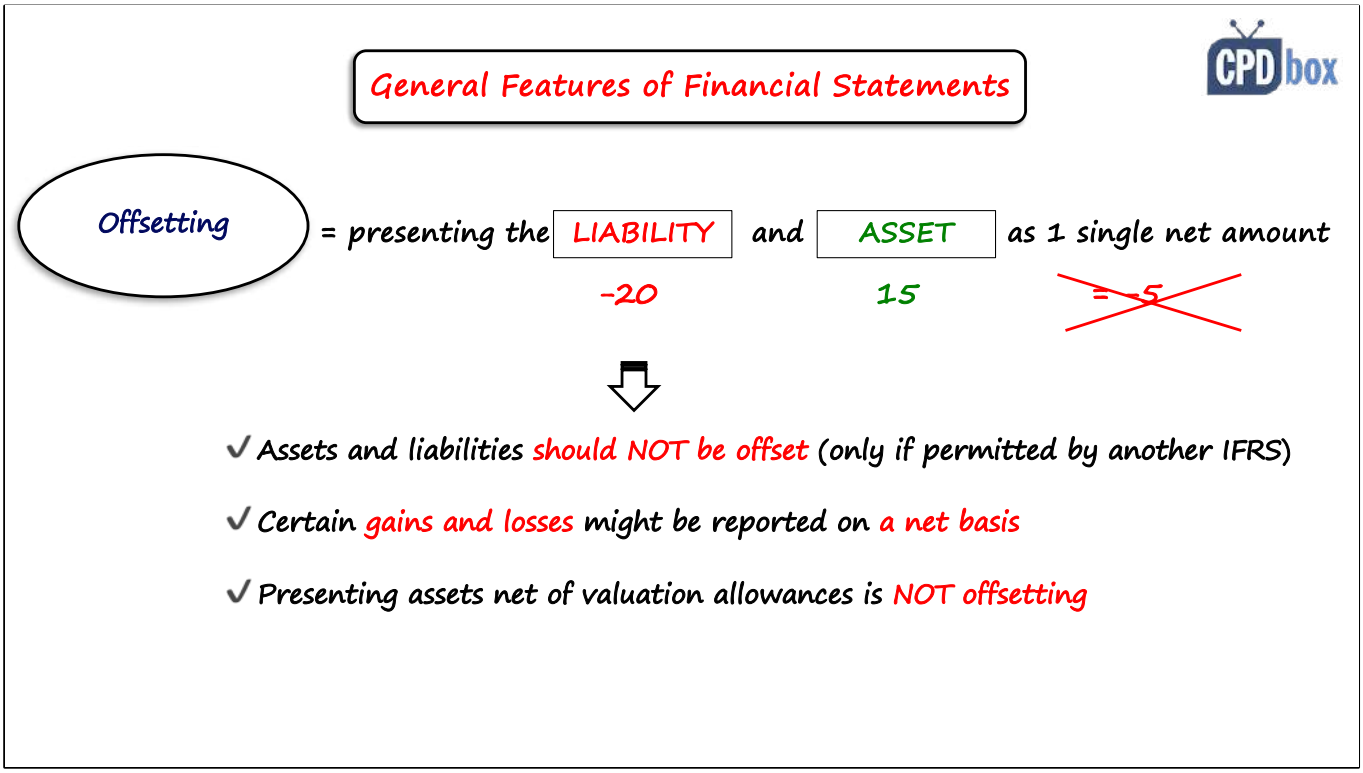
Your notes:


General Features of Financial Statements
Accrual Basis
✓ Except for Cash Flow Statement
Example:
✓ Bonus for 20X3 paid in 20X4
✓ Expense in 20X3
✓ Cash paid in 20X4

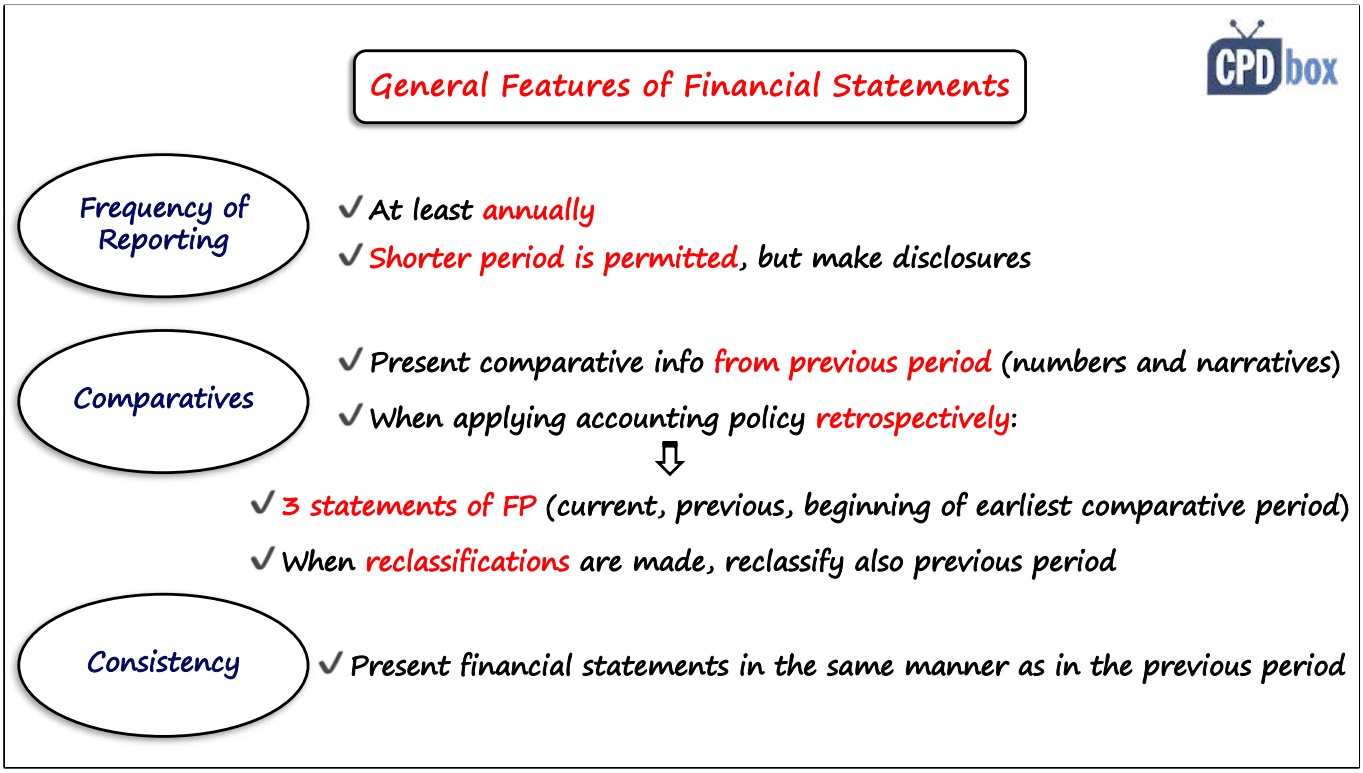
Your notes:


General Features of Financial Statements
Materiality & Aggregation
✓ Present each material item separately
✓ Aggregate immaterial amounts
What is material?
= Leads to wrong decisions if not disclosed separately
Based on SIZE
Based on NATURE
=>Bonuses to management
IFRS Practice Statement 'Making Materiality Judgements'

Your notes:


General Features of Financial Statements
Offsetting
= presenting the LIABILITY and ASSET as 1 single net amount
-20
15
= -5
✓ Assets and liabilities should NOT be offset (only if permitted by another IFRS)
✓ Certain gains and losses might be reported on a net basis
✓ Presenting assets net of valuation allowances is NOT offsetting

Your notes:


General Features of Financial Statements
Frequency of Reporting
✓ At least annually
✓ Shorter period is permitted, but make disclosures
Comparatives
✓ Present comparative info from previous period (numbers and narratives)
✓ When applying accounting policy retrospectively:
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✓ 3 statements of FP (current, previous, beginning of earliest comparative period)
✓ When reclassifications are made, reclassify also previous period
Consistency
✓ Present financial statements in the same manner as in the previous period

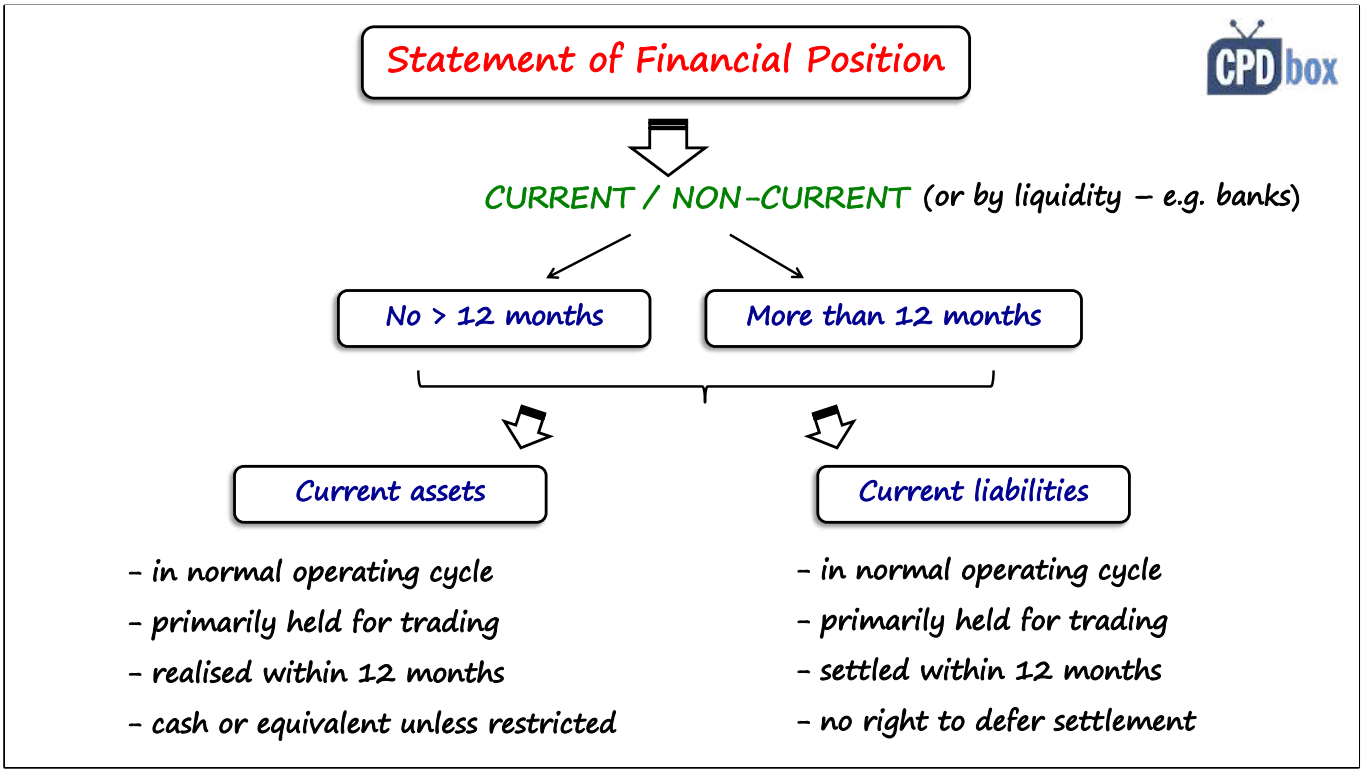
Your notes:

CPDbox Group -
Statement of Comprehensive Income
for the year ended 31 Dec 20X1

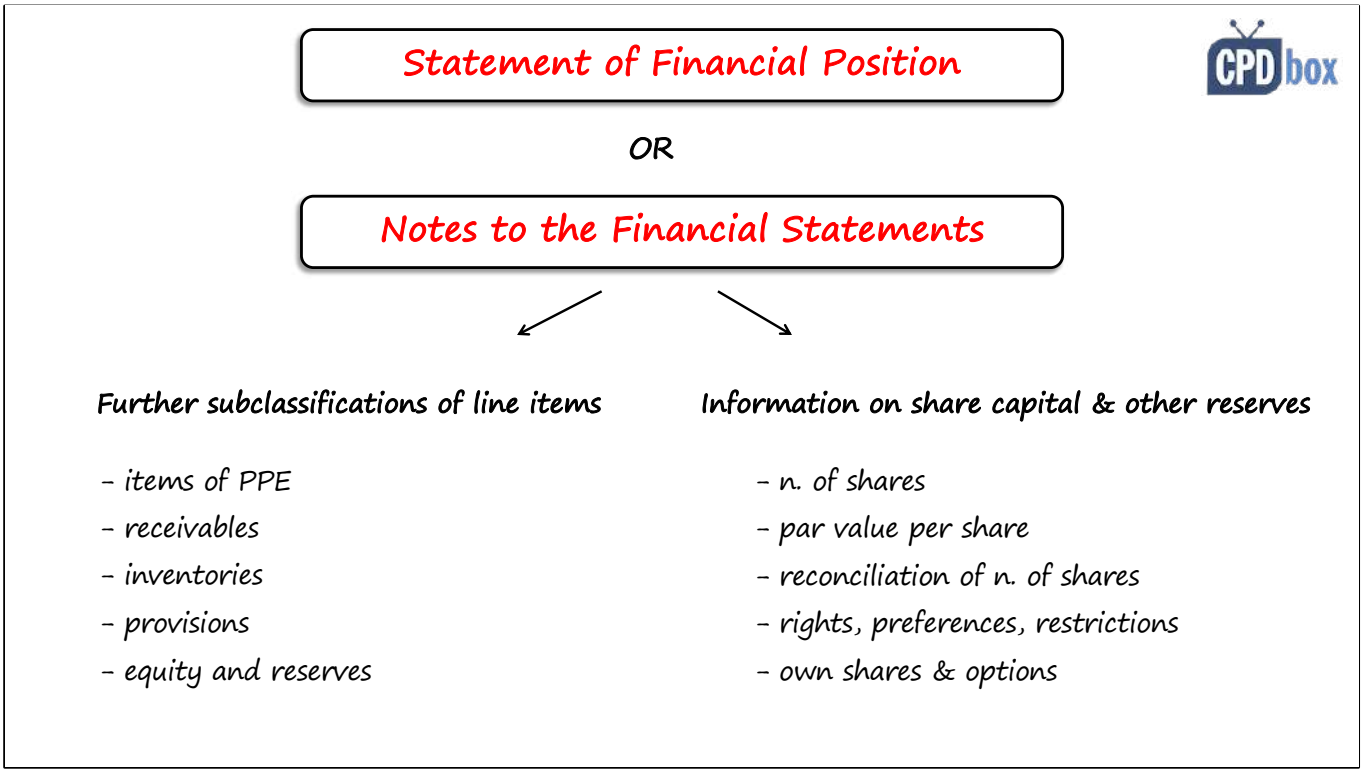
(in thousands CU)

	20X1	20X0
Sales	X	X
Cost of Sales	X	X
……		
…….		

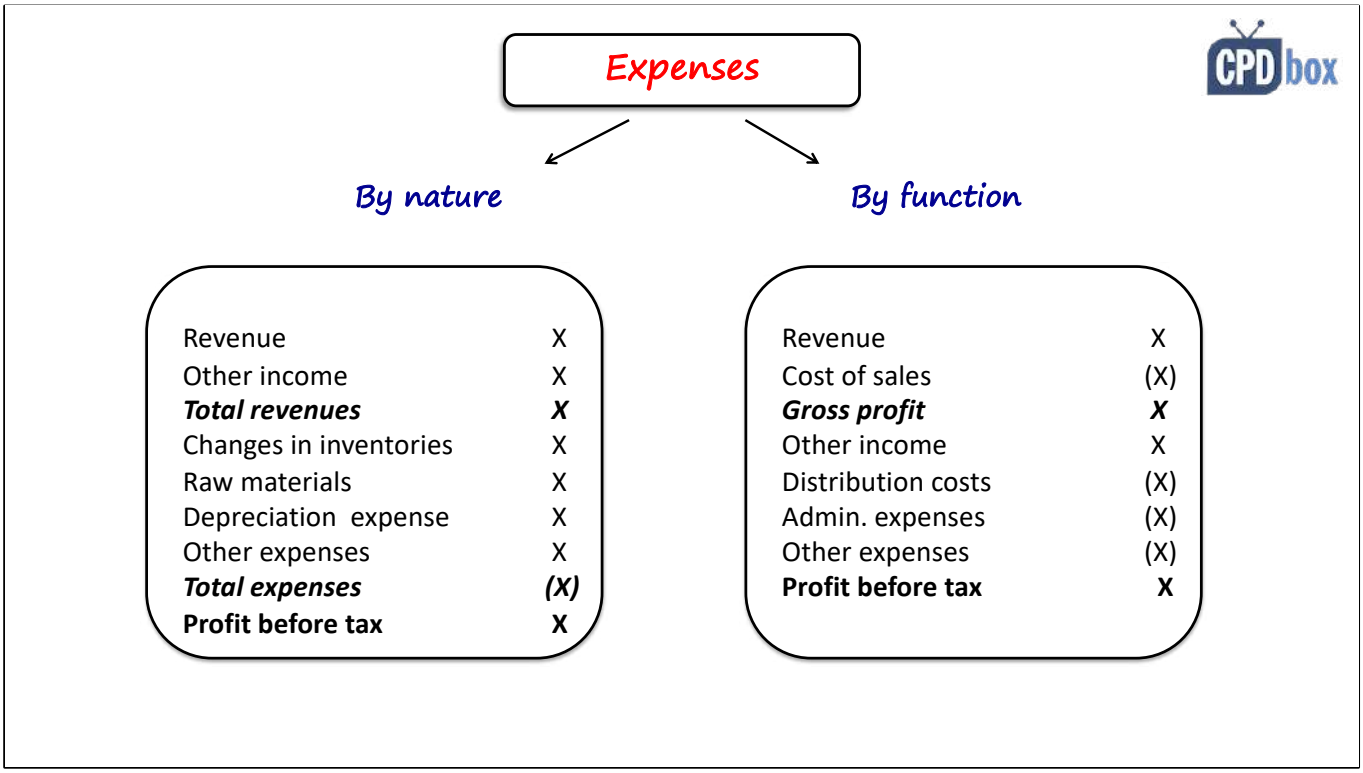
Your notes:


Statement of Financial Position
CPD box
CURRENT / NON-CURRENT (or by liquidity – e.g. banks)
No > 12 months
More than 12 months
Current assets
Current liabilities
- in normal operating cycle
- primarily held for trading
- realised within 12 months
- cash or equivalent unless restricted
- in normal operating cycle
- primarily held for trading
- settled within 12 months
- no right to defer settlement

Your notes:


Statement of Financial Position
OR
Notes to the Financial Statements
Further subclassifications of line items
- items of PPE
- receivables
- inventories
- provisions
- equity and reserves
Information on share capital & other reserves
- n. of shares
- par value per share
- reconciliation of n. of shares
- rights, preferences, restrictions
- own shares & options

Your notes:

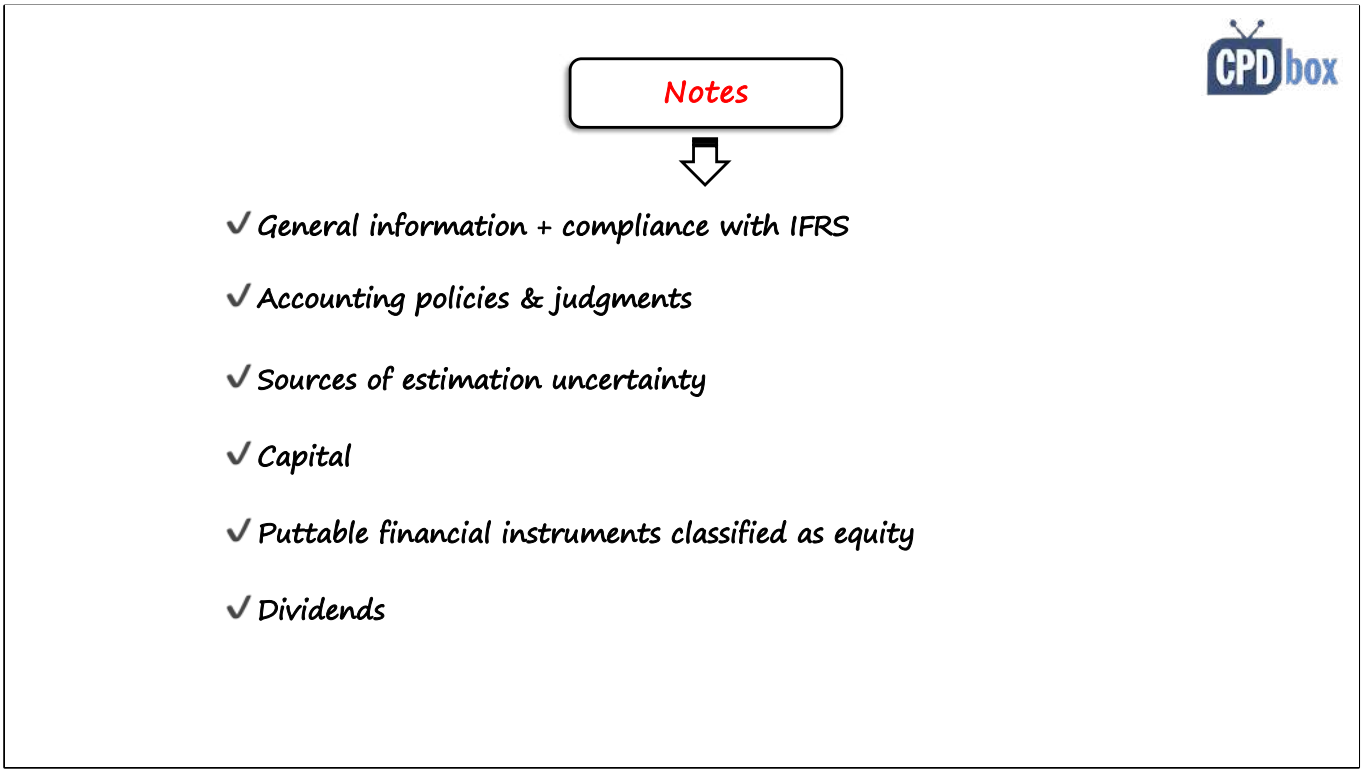

Expenses
By nature
By function
Revenue X
Other income X
Total revenues X
Changes in inventories X
Raw materials X
Depreciation expense X
Other expenses X
Total expenses (X)
Profit before tax X
Revenue X
Cost of sales (X)
Gross profit X
Other income X
Distribution costs (X)
Admin. expenses (X)
Other expenses (X)
Profit before tax X

Your notes:

Statement of Cash Flows

IAS 7 Statement of Cash Flows

Your notes:



Your notes:

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