IFRS AT A GLANCE
IAS 1 Presentation of Financial Statements
## IAS 1 Presentation of Financial Statements

### OVERALL CONSIDERATIONS

- **Fair presentation and compliance with IFRSs:** Financial statements are required to be presented fairly as set out in the framework and in accordance with IFRS and are required to comply with all requirements of IFRSs.
- **Going concern:** Financial statements are required to be prepared on a going concern basis (unless entity is in liquidation or has ceased trading or there is an indication that the entity is not a going concern).
- **Accrual basis of accounting:** Entities are required to use accrual basis of accounting except for cash flow information.
- **Presentation consistency:** An entity is required to retain presentation and classification from one period to the next.
- **Materiality and aggregation:** Each material class of similar assets and items of dissimilar nature or function is to be presented separately.
- **Offsetting information:** Offsetting of assets and liabilities or income and expenses are not permitted unless required by other IFRSs.
- **Comparative information:** At least 1 year of comparative information (unless impractical).

### COMPONENTS OF FINANCIAL STATEMENTS

A complete set of financial statements comprises:
- Statement of financial position
- Statement of profit or loss and comprehensive income for the period
- Statement of changes in equity
- Statement of cash flows
- Notes.
- All statements are required to be presented with equal prominence.

### STRUCTURE AND CONTENT

#### STATEMENT OF FINANCIAL POSITION
- Present current and non-current items separately; or
- Present items in order of liquidity.

- **Current assets**
  - Expected to be realized in, or is intended for sale or consumption in the entity’s normal operating cycle
  - Held primarily for trading
  - Expected to be realized within 12 months
  - Cash or cash equivalents.
- **Current liabilities**
  - Expected to be settled in the entity’s normal operating cycle
  - Held primarily for trading
  - Due to be settled within 12 months
  - The entity does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months. (R)
- **All other assets required to be classified as non-current.**
- **Information required to be presented on the face of the statement of financial position is detailed in IAS 1.54**
- **Further information required to be presented on the face or in the notes is detailed in IAS 1.79-80.**

#### STATEMENT OF COMPREHENSIVE INCOME
- An entity presents all items of income and expense recognised in a period, either:
  - In a single statement of comprehensive income
  - In two statements: a statement displaying components of profit or loss (separate income statement) and a second statement of other comprehensive income.
- **Information required to be presented in the:**
  - Statement of comprehensive income is defined in IAS 1.82-87
  - Profit or loss as defined in IAS 1.88
  - Other comprehensive income in IAS 1.90-96
  - Further information required to be presented on the face or in the notes to the Statement of Comprehensive Income is detailed in IAS 1.97.
- **Entities must choose between ‘function of expense method’ and ‘nature of expense method’ to present expense items**
- Line items within other comprehensive income are required to be categorised into two categories:
  - Those that could subsequently be reclassified to profit or loss
  - Those that cannot be reclassified to profit or loss.

#### STATEMENT OF CHANGES IN EQUITY
- **Information required to be presented:**
  - Total comprehensive income for the period, showing separately attributable to owners or the parent and non-controlling interest
  - For each component of equity, the effects of retrospective application/retirement recognised in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
  - The amounts of transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners
  - For each component in equity a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change
  - Amount of dividends recognised as distributions to owners during the period (can alternatively be disclosed in the notes)
  - Analysis of each item of OCI (alternatively to be disclosed in the notes).

#### STATEMENT OF CASH FLOWS
- **Provides users of financial statements with cash flow information - refer to IAS 7**

### IDENTIFICATION OF THE FINANCIAL STATEMENTS

Financial statements must be clearly identified and distinguished from other information in the same published document, and must identify:
- **Name of the reporting entity**
- Whether the financial statements cover the individual entity or a group of entities
- The statement of financial position date (or the period covered)
- The presentation currency
- The level of rounding used.

### NOTES TO THE FINANCIAL STATEMENTS

- **Statement of compliance with IFRSs**
- Significant accounting policies, estimates, assumptions, and judgements must be disclosed
- Additional information useful to users understanding/decision making to be presented
- Information that enables users to evaluate the entity’s objectives, policies and processes for managing capital.

### THIRD STATEMENT OF FINANCIAL POSITION

A third statement of financial position required when an entity changes accounting policies, or makes retrospective restatements or reclassifications:
- **Opening statement is only required if impact is material**
- **Opening statement is presented as at the beginning of the immediately preceding comparative period required by IAS 1 (e.g. if an entity has a reporting date of 31 December X2 statement of financial position, this will be as at 1 January X1)**
- Only include notes for the third period relating to the change.

### REPORTING PERIOD

- **Accounts presented at least annually**
- If longer or shorter, entity must disclose that fact.
Contact

For further information about how BDO can assist you and your organisation, please get in touch with one of our key contacts listed below.

Alternatively, please visit [www.bdo.global](http://www.bdo.global) where you can find full lists of regional and country contacts.

### EUROPE

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Catherine Farlay</td>
<td>France</td>
<td><a href="mailto:annecatherine.farlay@bdo.fr">annecatherine.farlay@bdo.fr</a></td>
</tr>
<tr>
<td>Jens Freiberg</td>
<td>Germany</td>
<td><a href="mailto:jens.freiberg@bdo.de">jens.freiberg@bdo.de</a></td>
</tr>
<tr>
<td>Teresa Morahan</td>
<td>Ireland</td>
<td><a href="mailto:tmorahan@bdo.ie">tmorahan@bdo.ie</a></td>
</tr>
<tr>
<td>Ehud Greenberg</td>
<td>Israel</td>
<td><a href="mailto:ehudg@bdo.co.il">ehudg@bdo.co.il</a></td>
</tr>
<tr>
<td>Stefano Bianchi</td>
<td>Italy</td>
<td><a href="mailto:stefano.bianchi@bdo.it">stefano.bianchi@bdo.it</a></td>
</tr>
<tr>
<td>Roald Beumer</td>
<td>Netherlands</td>
<td><a href="mailto:roald.beumer@bdo.nl">roald.beumer@bdo.nl</a></td>
</tr>
<tr>
<td>Reidar Jensen</td>
<td>Norway</td>
<td><a href="mailto:reidar.jensen@bdo.no">reidar.jensen@bdo.no</a></td>
</tr>
<tr>
<td>Leonid Sidelkovskiy</td>
<td>Russia</td>
<td><a href="mailto:L.Sidelkovskiy@bdo.ru">L.Sidelkovskiy@bdo.ru</a></td>
</tr>
<tr>
<td>David Cabaleiro</td>
<td>Spain</td>
<td><a href="mailto:david.cabaleiro@bdo.es">david.cabaleiro@bdo.es</a></td>
</tr>
<tr>
<td>Beat Rüfenacht</td>
<td>Switzerland</td>
<td><a href="mailto:beat.ruifenacht@bdo.ch">beat.ruifenacht@bdo.ch</a></td>
</tr>
<tr>
<td>Moses Serfaty</td>
<td>United Kingdom</td>
<td><a href="mailto:moses.serfaty@bdo.co.uk">moses.serfaty@bdo.co.uk</a></td>
</tr>
</tbody>
</table>

### ASIA PACIFIC

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aletta Boshoff</td>
<td>Australia</td>
<td><a href="mailto:aletta.boshoff@bdo.com.au">aletta.boshoff@bdo.com.au</a></td>
</tr>
<tr>
<td>Hu Jian Fei</td>
<td>China</td>
<td><a href="mailto:hu.jianfei@bdo.com.cn">hu.jianfei@bdo.com.cn</a></td>
</tr>
<tr>
<td>Fanny Hsiang</td>
<td>Hong Kong</td>
<td><a href="mailto:fannyhsiang@bdo.com.hk">fannyhsiang@bdo.com.hk</a></td>
</tr>
<tr>
<td>Pradeep Suresh</td>
<td>India</td>
<td><a href="mailto:pradeepsuresh@bdo.in">pradeepsuresh@bdo.in</a></td>
</tr>
<tr>
<td>Khoon Yeow Tan</td>
<td>Malaysia</td>
<td><a href="mailto:tanky@bdo.my">tanky@bdo.my</a></td>
</tr>
</tbody>
</table>

### LATIN AMERICA

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marcello Canetti</td>
<td>Argentina</td>
<td><a href="mailto:mcanetti@bdoargentina.com">mcanetti@bdoargentina.com</a></td>
</tr>
<tr>
<td>Victor Ramirez</td>
<td>Colombia</td>
<td><a href="mailto:vramirez@bdo.com.co">vramirez@bdo.com.co</a></td>
</tr>
<tr>
<td>Ernesto Bartesaghi</td>
<td>Uruguay</td>
<td><a href="mailto:ebartesaghi@bdo.com.uy">ebartesaghi@bdo.com.uy</a></td>
</tr>
</tbody>
</table>

### NORTH AMERICA & CARIBBEAN

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armand Capisciotto</td>
<td>Canada</td>
<td><a href="mailto:acapisciotto@bdo.ca">acapisciotto@bdo.ca</a></td>
</tr>
<tr>
<td>Wendy Hambleton</td>
<td>USA</td>
<td><a href="mailto:whambleton@bdo.com">whambleton@bdo.com</a></td>
</tr>
</tbody>
</table>

### MIDDLE EAST

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arshad Gadit</td>
<td>Bahrain</td>
<td><a href="mailto:arshad.gadit@bdo.bh">arshad.gadit@bdo.bh</a></td>
</tr>
<tr>
<td>Antoine Gholam</td>
<td>Lebanon</td>
<td><a href="mailto:agholam@bdo-lb.com">agholam@bdo-lb.com</a></td>
</tr>
</tbody>
</table>

### SUB SAHARAN AFRICA

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theunis Schoeman</td>
<td>South Africa</td>
<td><a href="mailto:tschoeman@bdo.co.za">tschoeman@bdo.co.za</a></td>
</tr>
</tbody>
</table>
This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact your respective BDO member firm to discuss these matters in the context of your particular circumstances. Neither BDO IFR Advisory Limited, Brussels Worldwide Services BV, BDO International Limited and/or BDO member firms, nor their respective partners, employees and/or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

Service provision within the international BDO network of independent member firms (‘the BDO network’) in connection with IFRS (comprising International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the IFRS Interpretations Committee and the former Standing Interpretations Committee), and other documents, as issued by the International Accounting Standards Board, is provided by BDO IFR Advisory Limited, a UK registered company limited by guarantee. Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium with its statutory seat in Zaventem.

Each of BDO International Limited (the governing entity of the BDO network), Brussels Worldwide Services BV, BDO IFR Advisory Limited and the member firms is a separate legal entity and has no liability for another such entity’s acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV, BDO IFR Advisory Limited and/or the member firms of the BDO network.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© 2020 BDO IFR Advisory Limited, a UK registered company limited by guarantee. All rights reserved.

www.bdo.global