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

<table>
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<th>Fair presentation and compliance with IFRSs</th>
<th>Going concern</th>
<th>Accrual basis of accounting</th>
<th>Presentation consistency</th>
<th>Materiality and aggregation</th>
<th>Offsetting</th>
<th>Comparative information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial statements are required to be presented fairly as set out in the framework and in accordance with IFRSs and are required to comply with all requirements of IFRSs.</td>
<td>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).</td>
<td>Entities are required to use accrual basis of accounting except for cash flow information.</td>
<td>An entity is required to retain presentation and classification from one period to the next.</td>
<td>Each material class of similar assets and items of dissimilar nature or function is to be presented separately.</td>
<td>Offsetting of assets and liabilities or income and expenses is not permitted unless required by other IFRSs.</td>
<td></td>
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## COMPONENTS OF FINANCIAL STATEMENTS

<table>
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<th>A complete set of financial statements comprises:</th>
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<tr>
<td>• Statement of financial position</td>
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<td>• Statement of profit or loss and comprehensive income for the period</td>
</tr>
<tr>
<td>• Statement of changes in equity</td>
</tr>
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<td>• Statement of cash flows</td>
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<tr>
<td>• Notes.</td>
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All statements are required to be presented with equal prominence.

## STRUCTURE AND CONTENT

### 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.

### STATEMENT OF FINANCIAL POSITION

- Present current and non-current items separately; or
- Present items in order of liquidity.

- Current assets
  - Expected to be realised in, or intended for sale or consumption in the entity’s normal operating cycle
  - Held primarily for trading
  - Expected to be realised within 12 months
  - Cash or cash equivalents.
  - All other assets are required to be classified as non-current.

- 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 an unconditional right to defer settlement of the liability for at least 12 months.
  - All other liabilities are 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 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 re-classified 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/restatement 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).

### REPORTING PERIOD

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

### STATEMENT OF CASH FLOWS

- Provides users of financial statements with cash flow information - refer IAS 7 Statement of Cash Flows.

### THIRD STATEMENT OF FINANCIAL POSITION

The improvement clarifies in regard to 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 2012 statement of financial position, this will be as at 1 January 2011)
- Only include notes for the third period relating to the change.
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