

IAS 1 Presentation of Financial Statements

1. The purpose of Financial Statements.

IAS 1 states that financial statements should provide information about the financial position, financial performance and cash flows of an entity useful to wide range of users in making economic decisions.

2. The components of Financial Statements.

IAS 1 Presentation of Financial Statements states that a complete set of financial statements includes:

- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the accounts

3. Display prominently.

- Name of Reporting Entity
- Single entity or group
- Date of Period end or period covered
- Currency
- Level of rounding

4. Accounting principles.

Financial Statements must use the following principles

- Going concern
- Accruals
- Materiality
- Offset

5. Other requirements.

- Financial statements must present fairly the financial position, performance and cash flows of an entity.
- Financial statements must comply with relevant IFRSs
- Financial statements must be prepared at least annually.
- Current and non-current assets and liabilities must be shown separately.
- Expenses must be analysed according to nature or function.
- Extraordinary items are prohibited.