



ACCA

Financial Reporting (FR)

Pocket Notes

KAPLAN
PUBLISHING

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Published accounts

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- IAS 1 Presentation of financial statements.

IAS 1 Presentation of financial statements



Exam focus

One of the 20 mark questions in section C

Statement of profit or loss and other comprehensive income

The following format is an extract from the appendix to IAS 1. It shows a model statement of profit or loss and other comprehensive income for a single entity.

Statement of profit or loss and other comprehensive income

	\$
Revenue	X
Cost of sales	<u>(X)</u>
Gross profit	X
Distribution costs	(X)
Administrative expenses	<u>(X)</u>
Profit from operations	(X)
Finance costs	(X)
Investment income	<u>X</u>
Profit before tax	X
Tax expense	<u>(X)</u>
Profit for the period	X
Other comprehensive income	
Gains/losses on property revaluation	<u>X</u>
Total comprehensive income for the year	X

Statement of financial position

As before, this format is for a single entity.

ASSETS	\$
Non-Current Assets	
Property, plant and equipment	X
Intangible assets	X
Investments	X
	<hr/>
	X
Current Assets	
Inventories	X
Trade receivables	X
Cash and cash equivalents	X
	<hr/>
	X
	<hr/>
Total assets	<hr/>

EQUITY AND LIABILITIES**Equity**

Share capital	X
Other components of equity	X
Retained earnings	X
	<hr/>
Total equity	X

Non-current liabilities

Long-term borrowings	X
Deferred tax	X
Long-term provisions	X
	<hr/>
	X

Current liabilities

Trade and other payables	X
Overdraft	X
Current tax payable	X
Short-term provisions	X
	<hr/>
	X

Total liabilities**Total equity and liabilities**

<hr/>
X
<hr/>

The secret to questions involving the preparation of financial statements is practice, followed by more practice.



Key Point

If you attempt as many of these questions as you possibly can while studying and revising for the exam then you will find that the preparation becomes second nature.

Don't worry if you make the odd slip of presentation or layout.



Exam focus

The main reason for knowing the IAS 1 formats well is that they will enable you to attempt questions quickly and efficiently.

Statement of changes in equity

This shows the movements on reserves for the period under consideration.

Again, practice makes perfect.

Statement of changes in equity (SOCIE)

	Share capital	Share premium	Revaluation surplus	Retained earnings	Equity option	Total
Opening balance	X	X	X	X		X
Change in accounting policy/ errors (IAS 8)				(X)		(X)
Share issue	X	X				X
Revaluation surplus/deficit			X/(X)			X/(X)
Equity option					X	X
Profit from SPL				X		X
Dividends				(X)		(X)
Transfer to retained earnings			(X)	X		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing balance	X	X	X	X	X	X
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>



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