

Ind AS 1: Presentation of Financial Statements

① Scope

- ✓ Applicable to all FS as per Ind AS except **Interim FS**.
- ✓ Reports outside FS are outside of scope.
- Ex. BOD Report.

③ Components of Financial Statement

- A complete set of FS contain
 - Balance sheet
 - SOPL
 - SOCE
 - CFS
 - Notes of AC
 - Opening BS when application of an accounting policy
 - ↳ Redesignify an item of FS

③ Overall Considerations

Following principles observed while preparing any FS

A) Fair Presentation & Compliance with Ind AS

- Present fairly financial position & financial performance
- Ind AS followed - it is presumed fair
- Explicit & **Unreserved statement of compliance**
- Also require
 - select & apply Accounting Policy as per Ind AS
 - Present in manner provide relevant, reliable, comparable understandable data.
 - additional disclosures

"True & fair override"
Allow departure from Ind AS but disclose subject to Rules & Reg.

B) Going Concern

Assess its appropriateness for at least next 12 years
(Going Concern Appropriate but material uncertainties disclose.)

- ✓ Going concern Not Appropriate
 - Intends to liquidate
 - No realistic alternative or cease to trading
 - Disclose fact & basis of presentation
 - Reason

C) Accrual basis

All Assets, liabilities, income, expenses recognised when definition + Recognition criteria met

except Cashflow Statement

D) Presentation consistency

- Presentation & classification of items should be same except - it is appropriate to change based on -
- Change in operations of undertaking
- Reversal of FS
- Required by Ind AS

Overall Consideration

Continued...

↓ Materiality & Aggregation

Similar items :- Each material class of similar item shall be presented separately

Dissimilar items :- Presented separately unless immaterial → in that case aggregate

↓ F) Offsetting

Assets & Liabilities, Income & Expenses are not offset unless required/permitted by other Ind AS except

eg. DTA, DTL

But many items are not offset eg.

PPE shown net of exp.

except :- it reflect

substance of transaction

eg. most "other income"

Items shown net of expenses

↓ 4) Identification of FS

- FS must be clearly identified & distinguished from other information in the same published document & state
- Name of reporting entity
 - Whether consolidated or separate FS
 - Date & period covered
 - Presentation currency
 - Level of Rounding off

↓ 6) Comparative Information

- for all items & amount - presented in financial statement → must be presented
- for narrative & descriptive information → only if relevant to an understanding of current period.

↓ 5) Reporting period / frequency

- Present at least annually.
- If longer or shorter period disclose - fact.

↓ 9) Cash flow statement

As per Ind AS 7

6 Statement of Financial position (B/S)

- Present current items & Non-current items separately or
- Present in liquidity order

Current Assets :-

- Expected to be realised in or intended for sale/consumption during Normal Operating cycle
- Held primarily for Trading
- Expected to be realised within 12 months after reporting date
- Cash & cash equivalent
- All other assets → Non-Cat

Current Liabilities :-

- Expected to be settled in OC
- Held primarily for Trading
- Due to be settled within 12 months after reporting date
- Liability without unconditional right to defer settlement for at least 12 months eg.

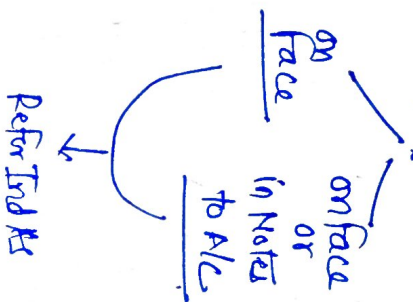
All other liability → Non-current

Long term loan arrangement →

Need not classified as current, account of breach of material provision

if lender have agreed to waive demand/provided grace period of 12 months to rectify

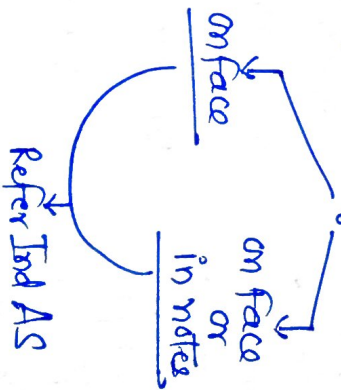
Information to be presented



7 Income Statement

- All items of income, expense recorded in current period shall be included in Income statement unless required otherwise
- No item as extraordinary - either on face or Notes
- if items of income/expense are material disclose separately
- Present analysis of expenses Based on Nature
- Single statement approach

Information to be presented



8 Statement of Changes in Equity (SoCE)

- Reconciles Income statement with movement on equity for period.
- Presented as part of B/S
- Information to be presented

- Profit/Loss for period on face
- Items of OCI
- Total of both
- Attributable to equity holder of parent
- Minority interest
- For each component - impact of changes in Accounting policy & correction of error
- Ind AS 8

on face or Notes

- Transaction with owners in capacity of owner eg. dividend
- Retained earnings opening, closing
- Bargain purchase gain etc.

1) Structure of Notes to Account

Statement of compliance with Ind AS

- Summary of significant Accounting policy
- Supporting information Cross referenced with items on face of FS
- Other disclosures
e.g. Contingent liab.

(11) Disclosure of Accounting policy

→ Disclose summary of significant Accounting policy

- Measurement basis used in preparing B/S e.g. Historical, FV, NRV
- Other relevant accounting policy
- Judgements made to apply accounting policy (except estimation uncertainty)
- Alternative accounting policies selected among funds
e.g. Cost, Revaluation model
Ind AS 16 PPE

(12) Key Sources of Estimation uncertainty

Estimation Uncertainty? → Significant risks of resulting in material adjustment to carrying amount of items

✓ Disclose

→ Assumptions made about future

→ Other sources of estimation uncertainty

e.g. discount rate, useful life.

✓ For subassets & liabilities

a) Nature &

b) Carrying amt at end

✓ If Recorded at FV - no estimation hence no dis.
e.g. active market

✓ Other Relevant information

e.g. range of uncertainty

- sensitivity of carrying amt

- Nature & assumption.

✓ If impossible to explain extent of possible effect just disclose fact that carrying amt may change

(13) Capital

- Disclose information that enable user to evaluate the undertaking objectives, policies & process of managing Capital.

Qualitative information e.g.

- description of invest comprises capital
- externally imposed requirement e.g. redemption
- How it is meeting its objective

Quantitative information

- invest comprises capital
- changes through
- any externally imposed requirement. Complied with

→ Separate information for each capital requirement to which entity is subject

(14) Puttable financial Instruments classified as Equity

Summary quantitative data about the amount

→ objective, policies, procedure to maintain obligation e.g. buyback

→ Expected cash outflow on redemption

→ Information about how? above amt determined.

↓ (15) Other Disclosures

- Amount of dividend declared or proposed but NOT recognised as distribution to owners
- Amount of any cum preference dividend not recognised
- if following not disclosed elsewhere in published information
 - a) Domicile, legal form of entity, country of incorporation
 - b) Nature of entity's operations & principal activities
 - c) Name of parent & ultimate parent
 - d) if it is a limited life entity, information about length of life.