



# International Financial Reporting Standards

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<http://www.iasplus.com/en/standards>



# Fundamentals of IFRS.

## Gradual replacement IAS (International Accounting Standards) on IFRS.

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- **Purpose –**

Introduction clear (transparent) financial information for investors (actual and potential)



# Transparency of financial reporting.

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## **The primary purpose of the financial statements**

To provide fair presentation of:

- financial position,
- financial condition.
- cash flows.

## **Fair presentation:**

- fair presentation due to useful information (full disclosure),
- fair presentation means transparent.

## **Secondary objectives of the financial statements :**

Fix the transparency through fair presentation of useful information (full disclosure) for decision-making purposes.



# Signs of useful information

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## **The relevance:**

- pithiness
- Importance

## **Reliability:**

- Fair representation
- Substance over form
- Objectiveness
- Caution
- Completeness

## **Comparability**

## **Comprehensibility**

## **Interconnectivity**

## **Timeliness**

## **Benefits and costs:**

- balance of quality characteristics



# BASIC ASSUMPTIONS

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Accruals

Continuing operations