IAS 1

Presentation of financial statements.

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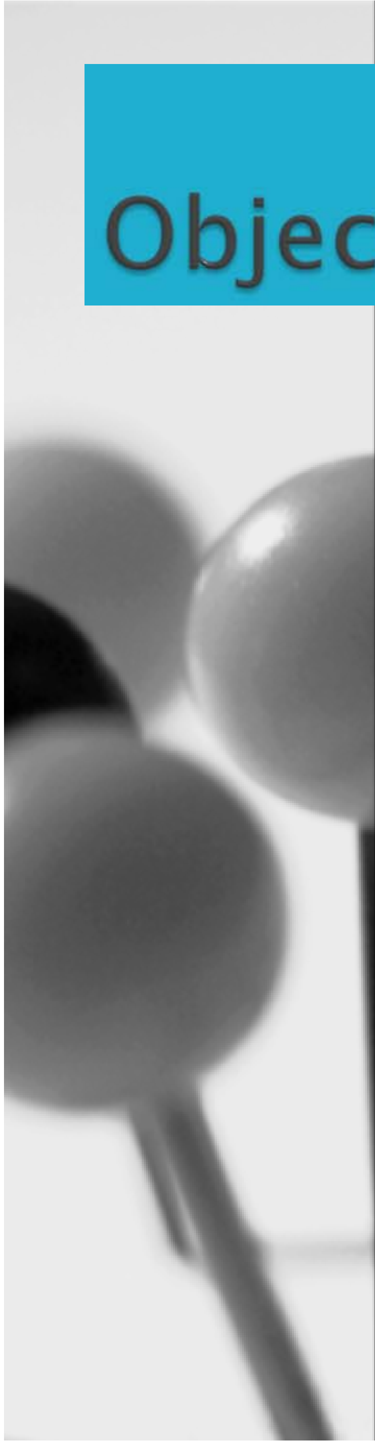


Objective and Scope of IAS 1

To prescribe the basis for presentation of general purpose

financial statements , to which IAS 1 applies in order to

ensure comparability with:

- the entity’s own financial statements of previous periods; and
- financial statements of other entities.

To achieve this IAS 1 sets out the overall requirements for

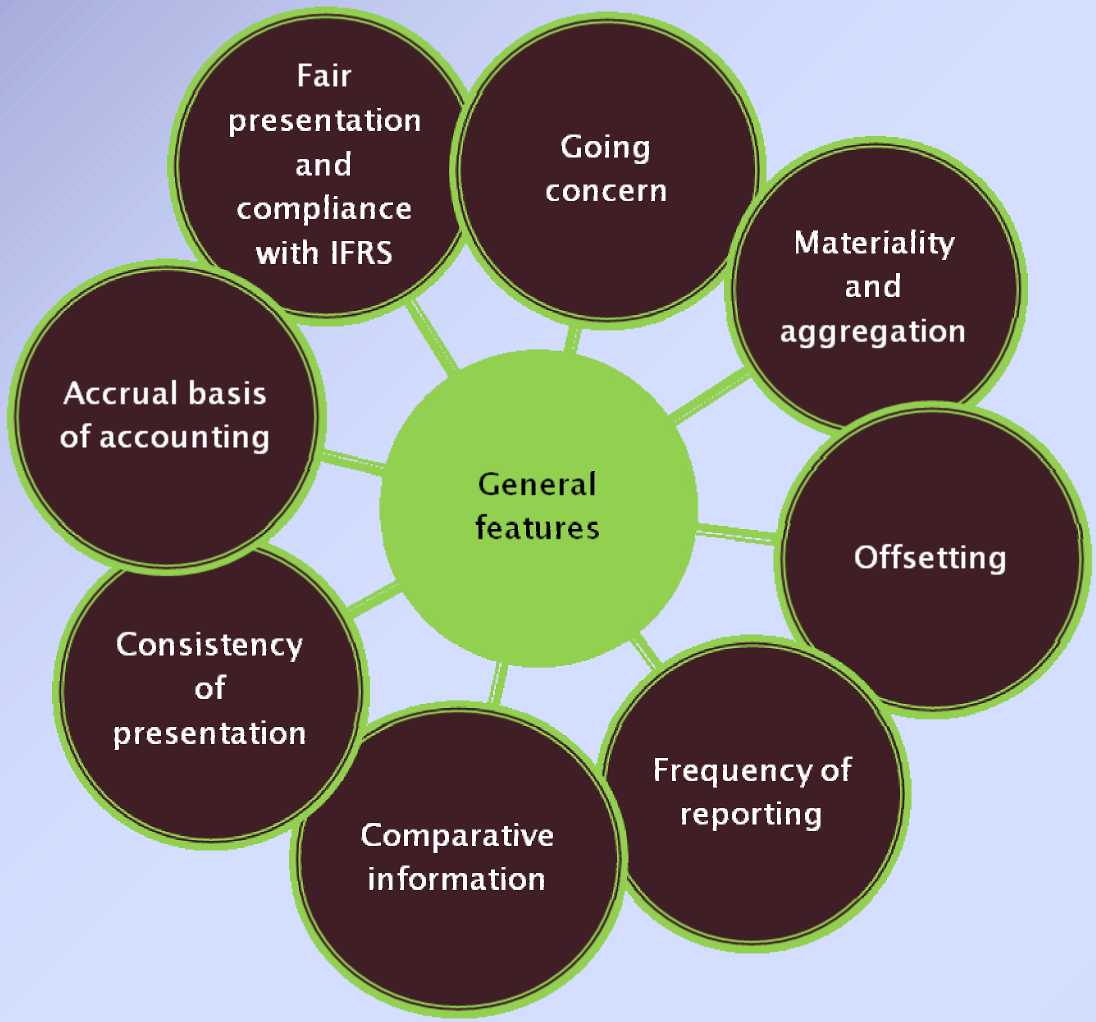
presentation of financial statements

Usefulness of financial statements.

To provide information ,useful to a wide range of users in making economic decisions about:

- Financial position (assets , liabilities and equity)
- Financial performance (income /expenses including gains/losses)
- Cash flows (including cash equivalents)

General features



❑Fair presentation and compliance with IFRS

Fair presentation means the selection and application of appropriate accounting policies.

Compliance with IFRS

In extremely rare circumstances ,if compliance would be misleading , and therefore departure from a standard is necessary to achieve a fair presentation, the entity discloses:

- Management has concluded that the F/S *fairly present* the entity's financial position, performance and cash flows;
- that it has complied in all *material* respects with applicable IFRS except that it has departed to achieve fair presentation;
- The standard from which entity has departed;
- The nature of departure:
  - treatment that standard would require;
  - reason why that treatment would be misleading in the circumstances ; and
  - treatment adopted.

❑ Going concern

- Ability to continue operations for the foreseeable future.
- Management is required to assess ,at the time of preparing F/S, the entity’s ability to continue as a going concern and

  this assessment should cover a period of 12 months from the end of the reporting period.

“Where there are significant doubts about the entity’s ability to continue as going concern, details of those uncertainties should be disclosed even if F/S continue to be prepared on going concern basis.”

❑Offsetting

Offsetting of assets and liabilities and of income and expenses

is not allowed unless permitted by IFRS.

Offsetting ,except when it reflects the substance of transaction

or other event and the income and expenses are related.

Example

– gains/losses on the disposal of non –current assets are reported after deducting the carrying value and selling   expenses from the proceeds.

- releases of provisions against the expenses incurred.

Items that would not be considered to be offsetting of assets and liabilities include :

Frequency of reporting

A complete set of financial statements should be presented at least
annually.

In exceptional circumstances where there is a change in the end of
the reporting period (so the statements are presented for a period
other than a year) the entity should disclose:

- reason for a period other than one year being used;
- the fact that comparable amounts presented are not *entirely* comparable.

❑Accrual basis of accounting.

Assets , liabilities, equity , income and expenses are:

- recognized when they occur not as cash received or paid.
- recorded in accounting records and reported in the financial statements of the periods to which they relate.

❑Materiality and aggregation

Items are classified based on materiality.

Items of same nature are aggregated if they are not material.

An item is material if its omission or misstatement can influence the economic decisions of users taken on basis of financial statements.

❑ Consistency of presentation

Presentation and classification of items in the financial statements should be retained from one period to the next.

A change is only allowed ***if*** it:

- Will result in a more appropriate presentation(e.g. if there is a significant change in the nature of the entity's operation); or
- Is required by an IFRS.

❑Comparative information

A entity shall disclose comparative information in respect of the

previous period for all amounts reported in the current period

F/S.

(*Entity shall present at least two of each of financial*

statements)

Where there is restatement of prior period information a

statement of financial position is also required for the

beginning of earliest comparative period.

i.e. *a minimum of three statements of financial position (and two each of the other statements). Restatement arises when ,for example, an accounting policy is*

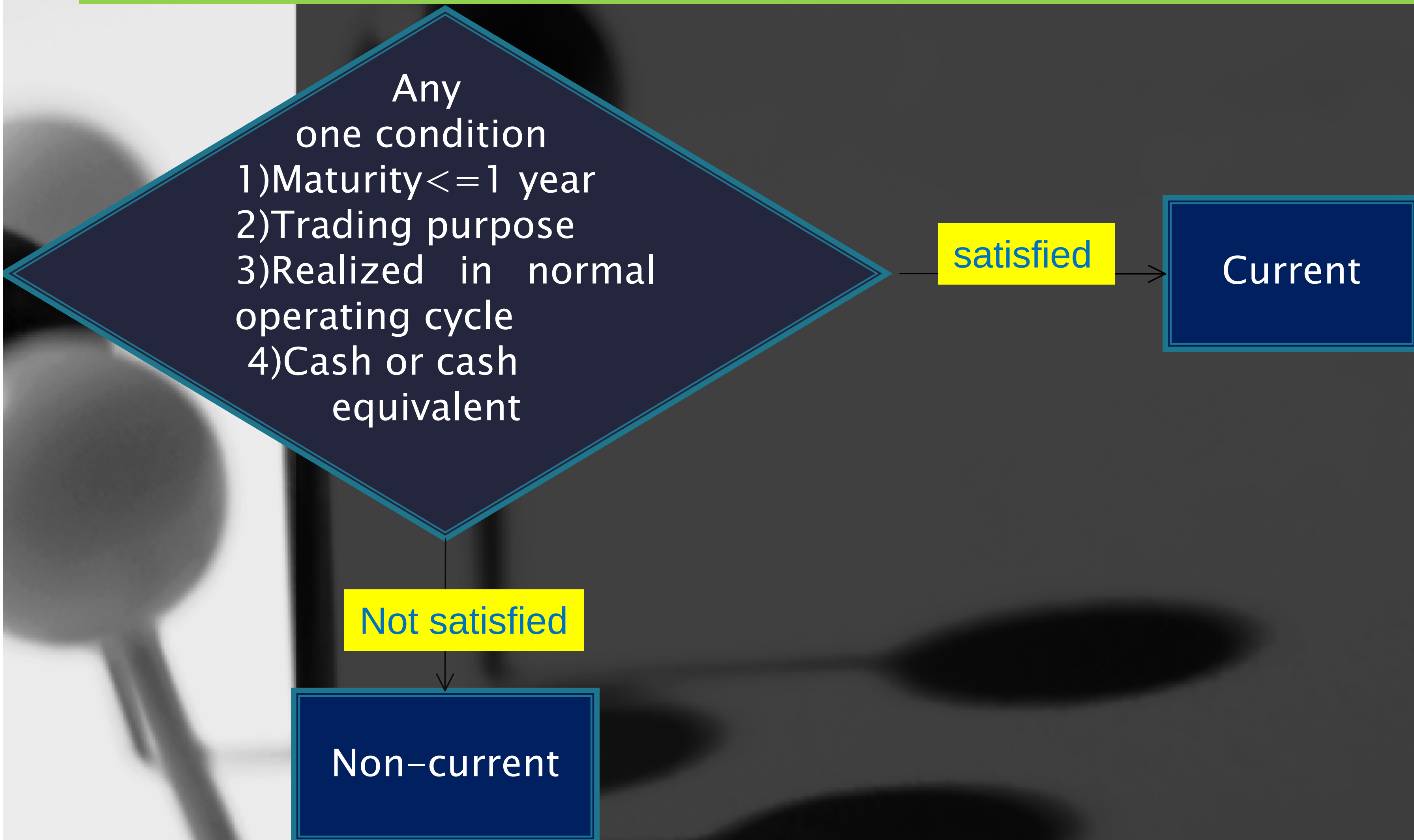
Components

- A statement of financial position.
- A statement of comprehensive income.
- A separate statement of changes in equity.
- A statement of cash flows.
- Disclosure of significant accounting policies and other explanatory notes.

Statement of financial position

- Assets
  - Non-Current
  - Current
- Liabilities
  - Non-Current
  - Current
- Equity

Current/non-current distinction



Statement of financial position in IFRS format

ASSETS:

Current Assets:

Inventories

Trade and other receivables

Other current financial assets (derivatives)

Liquid investments

Cash and cash equivalents

Total current assets

Non Current Assets:

Goodwill

Property, plant and equipment, net

Intangible assets, net

Investment in subsidiaries

Interest in associate

Financial asset investments

Other non current assets

Deferred income taxes

LIABILITIES AND STOCK HOLDERS' EQUITY

Current liabilities

Short term borrowings

Trade and other payables

Other current financial liabilities(derivatives)

Finance lease payables

Provisions

Current tax liabilities

Total current liabilities

Non current liabilities

Medium and Long term debt

Trade and other payables

Other financial liabilities(derivatives)

Finance lease payables

Deferred taxes liabilities

Retirement benefits

Provisions

Total non current liabilities

Total liabilities

Equity

Share capital

Share application money

Share premium

Share based payment reserve

Hedging reserve

Other reserves

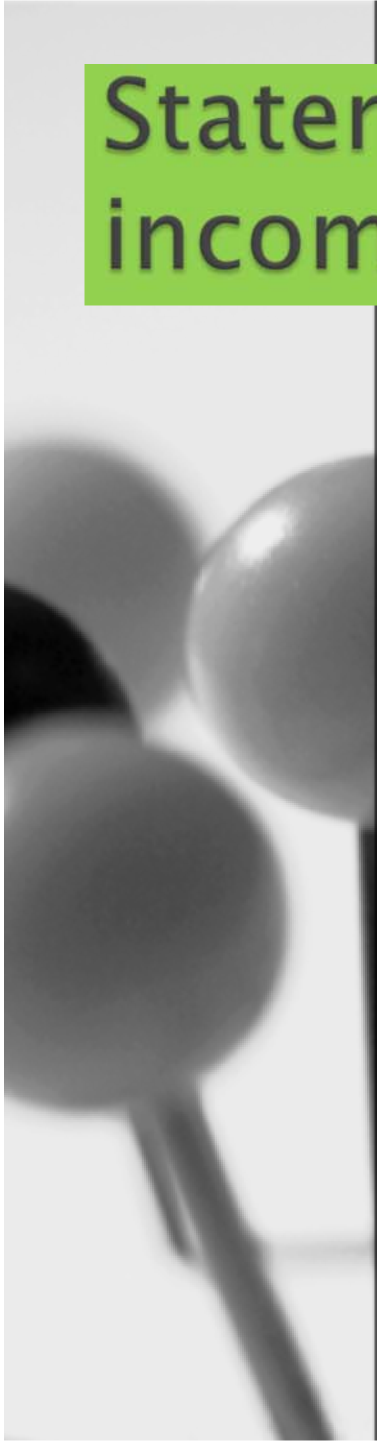
Retained Earnings

Equity attributable to equity holders of the company

Non controlling interest

Total equity

Statement of comprehensive income.



All items of income and expense recognized in a period must be presented either:

- In a single statement of comprehensive income; or
- In two statements:
  - a statement displaying components of profit or loss and
  - a second statement beginning with profit or loss and displaying components of other comprehensive income.

Statements of comprehensive income in IFRS format

Revenues

Gross sales

Less : Excise duty recovered on sales

Net sales

Total revenues

Other operating income (excluding finance income)

Cost of sales

Selling and distribution expenses

General and administration expenses

Special items - VRS

Special items - Impairment of assets

Total operating expenses

Total operating income

Share of profit/loss from associate

Non operating income (expense), net

Finance income

Finance expense

Other non operating income (expense), net

Total non operating income (expense), net

Income from continuing operations before taxes and non controlling interest

Income taxes

Current tax

Deferred tax

non controlling interest

Net income - -

Other comprehensive income

Year ended 31 December	2008	2007
Exchange differences on translating foreign operations	X	(X)
Available-for-sale financial assets	(X)	X
Cash flow hedges	X	(X)
Gains of property revaluation	X	X
Actuarial gains (losses) on defined benefit pension plans	X	(X)
Share of other comprehensive income of associates	X	X
Other comprehensive income	X	(X)
Income tax relating to components of other comprehensive income	(X)	X

Statement of changes in equity

IAS 1 requires an entity to present a statement of changes in equity as a separate component of the financial statements.
The statement must show:

Total comprehensive income attributable:

Owners

Non-controlling interest

Transaction with owners:

Contributions

Distributions

Retrospective effects

Reconciliation between carrying amounts :

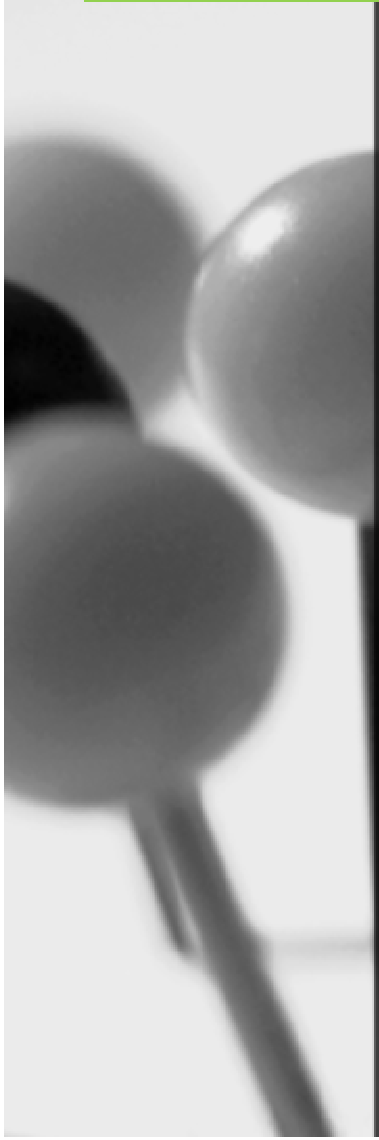
at the beginning

at the end

Statement of changes in equity.

	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Non Controlling Interest	Total Equity
Balance at 1 january,2009	X	X	X	X	X	X
Change in accounting policy				(X)	(X)	(X)
Restated balance	X	X	X	X	X	X
Changes in equity for 2009						
Issue of share capital	X					X
Dividends				(X)		(X)
Total comprehensive Income for the year.			X	X	X	X
Transfer to retained earnings.			(X)	X		

Statement of cash flows



The objective of IAS 7 is to require the presentation of information about the historical changes in cash and cash equivalents of an entity by means of a statement of cash flows, which classifies cash flows during the period according to operating, investing, and financing activities.

Statement of cash flows

Cash flows from operating activities*(direct or indirect method)*		**X**
Cash flows from investing activities		
Purchase of property ,plant and equipment	(x)	
Proceeds from sale of equipment	x	
Interest received	x	
Dividends received	x	
Net cash used in investing activities		X
Cash flows from financing activities		
Proceeds from issuance of share capital	x	
Proceeds from long term borrowings	x	
Dividends paid	(x)	
Net cash used in financing activities		X
Net increase in cash and cash equivalents		X
Cash and cash equivalents at the beginning of the period		X
Cash and cash equivalents at the end of the period		**X**

Cash flows from operating activities–Direct method

Cash flow from operating activities	
Cash receipts from customers	X
Cash paid to suppliers and employees	(x)
Cash generated from operations	x
Interest paid	(x)
Income taxes paid	(x)
Net Cash generated from operating activities	x

Cash flow from operating activities–Indirect method

Cash flow from operating activities	
Profit before taxation	x
<u>Adjustments for:</u> Depreciation Investment income Interest expense	 X (X) X
Operating profit before working capital changes	X
Increase in trade and other receivables Decrease in inventories Decrease in trade payables	(X) X (X)

Notes to the financial statements

Information

Basis of presentation and accounting policies used.	Disclosures required by IFRS not presented in financial statements.	Additional information relevant to users.

Thank you