IFRS Back to Basics at a glance

IFRS Back to Basics · one-page reference

Core Knowledge

CORE PRINCIPLE

Financial reports exist to help investors, lenders and other creditors decide whether to provide resources to the entity (CF 1.2). Information is useful when it is relevant and faithfully represents what it claims to show (CF 2.4). Each standard in the course applies that idea to one part of the statements.

Topic	The question	The test	Reference	Where it shows
1 **Frame**	**Is the information useful?**	Relevant and a faithful representation; an asset is a present economic resource the entity controls as a result of past events.	**CF 2.4, CF 4.3**	Every line
2 **Present**	**Where does it go in profit or loss?**	From 2027 every income and expense sits in one of five categories: operating, investing, financing, income taxes, discontinued operations.	**IFRS 18.47**	Profit or loss
3 **Recognise**	**When is revenue earned?**	Five steps; revenue is recognised when, or as, control of the promised good or service passes to the customer.	**IFRS 15.2, IFRS 15.31**	Revenue, contract balances
4 **Measure**	**At what amount is the asset carried?**	Cost less depreciation and impairment; if recoverable amount falls below carrying amount, write the asset down.	**IAS 16.30, IAS 36.59**	Financial position
5 **Disclose**	**What must users be told?**	Material policy information in the notes; sustainability reporting under four areas: governance, strategy, risk management, metrics and targets.	**IAS 1.117, IFRS S1.25**	Notes, sustainability report

Independent learning material prepared by Core Knowledge. Not affiliated with or endorsed by the IFRS Foundation / IASB / ISSB. Paragraph references are to the standards and the Conceptual Framework as issued. A summary for revision, not a substitute for the standards.