ACCOUNTING BY SMALL AND MEDIUM-SIZED ENTERPRISES *

Report by the Ad Hoc Consultative Group of Experts on Accounting by Small and Medium-Sized Enterprises

Executive summary

Accounting by small and medium-sized enterprises (SMEs) was on the agenda of the Intergovernmental Working Group of Experts at its 17th and 18th sessions. During these sessions, the Group identified obstacles that SMEs face in maintaining proper accounting records and generating meaningful financial information. It also deliberated on suggested approaches to addressing the issue. The 18th session called on an ad hoc group to conduct consultations and further refine ways of resolving the problems faced by SMEs in preparing and providing financial information. Having conducted a series of consultations during the intersession period, the ad hoc group presents this report to the 19th session for consideration.

This document (TD/B/COM.2/ISAR/16) and its addenda (1–4) were produced in accordance with the agreement reached by the Group at its 18th session. These documents consist of two guidelines, one for SMEs at Level 2 (economically significant SMEs) and another for those at Level 3 (the smallest enterprises). The proposed guidance for Level 2 SMEs is linked to International Financial Reporting Standards and contains both a conceptual framework and 15 guidelines for various accounting transactions. It also contains a glossary of terms as well as examples and source materials. The guidance for Level 3 SMEs contains an accounting and reporting framework, basic accounting and reporting rules and model financial statements.

* Submission of this document was delayed as a result of the need for further consultations with members of the ad hoc consultative groups.
CONTENTS

Accounting and Financial Reporting Guidelines for Level 2 SMEs (SMEGA):
TD/B/COM.2/ISAR/16

Introduction          4

Guideline
1                   Presentation of financial statements .........................11

Accounting and Financial Reporting Guidelines for Level 2 SMEs (SMEGA):
TD/B/COM.2/ISAR/16/Add.1

Guideline
2                   Cash flow statements ...........................................4
3                   Property, plant and equipment.................................6
4                   Leases .................................................................12
5                   Intangible assets .....................................................15
6                   Inventories ...........................................................20
7                   Government grants ....................................................21

Accounting and Financial Reporting Guidelines for Level 2 SMEs (SMEGA):
TD/B/COM.2/ISAR/16/Add.2

Guideline
8                   Provisions .............................................................4
9                   Revenue .................................................................7
10                  Borrowing costs .....................................................10
11                  Income taxes .........................................................12
12                  Accounting policies ..............................................14
13                  Foreign exchange rates ..........................................17
14                  Events after balance sheet date .................................18
15                  Related-party disclosures .....................................20

Accounting and Financial Reporting Guidelines for Level 3 SMEs (SMEGA):
TD/B/COM.2/ISAR/16/Add.3
Appendix

1 Definitions ...........................................................................4
2 Examples ..............................................................................12
3 Source material ....................................................................20
4 Members of the Ad hoc Consultative Group .......................22

Accounting and Financial Reporting Guidelines for Level 3 SMEs (SMEGA):
TD/B/COM.2/ISAR/16/Add.4

I Accounting and reporting framework.................................4
II Basic guidance requirements ..............................................8
III Model financial statements ..............................................11

Annex

1 Model income statement ..................................................13
2 Model income statement (example) ..................................14
3 Model balance sheet (example) .........................................15
INTRODUCTION

1. At its 17th session, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) identified a number of obstacles that small and medium-sized enterprises (SMEs) face in maintaining proper accounting records and generating meaningful financial information. The session called on an ad hoc consultative group to recommend possible approaches that would meet the accounting needs of SMEs and take into consideration the obstacles the sector faced. Accordingly, an ad hoc consultative group consisting of experts from a wide cross-section of countries was formed. The ad hoc group conducted a series of consultations during the inter-session period and presented its report to the Group's 18th session, which took place in Geneva on 10–12 September 2001.

2. The 18th session reviewed the report and deliberated on the general approaches recommended. The Group agreed on a three-tiered approach (see paragraph 9 for details) to the accounting needs of SMEs. The Group called on the ad hoc consultative group to continue its work and provide further refinements, and to present its report to the 19th session. Accordingly, the ad hoc group (see list of members in Appendix 4 in TD/B/COM.2/ISAR/16/Add.3) conducted a series of consultations and is now presenting its work for consideration by the 19th session of the Group.

3. The recommendations of the ad hoc group are presented in five separate reports, which are contained in TD/B/COM.2/ISAR/16 and Addenda 1 through 4. The first four reports concern SMEs at Level 2. The first report (TD/B/COM.2/ISAR/16) contains an introduction, a conceptual framework and Guideline 1, a presentation of financial statements. The second report (TD/B/COM.2/ISAR/16/Add.1) consists of Guidelines 2 through 7. The third report (TD/B/COM.2/ISAR/16/Add.2) contains Guidelines 8 through 15. The fourth report (TD/B/COM.2/ISAR/16/Add.3) contains definitions, examples and references to source material for the Guidelines. Finally, the fifth report (TD/B/COM.2/ISAR/16/Add.4) is a Guideline for Level 3 SMEs.

4. This Guideline is an initiative of the Group. ISAR has produced guidelines and recommendations on specific accounting issues for a number of years. Some of its recent guidelines addressed topics such as qualification requirements for professional accountants and accounting and financial reporting for environmental costs and liabilities. The object of the current initiative is to recommend to member States an approach they can use to create an all-embracing regulatory framework for the accounting of all commercial entities in their jurisdictions. This approach suggests a three-tiered system of differential reporting, with requirements that are cost-effective in relation to the targeted user/preparer groups and that allow growing businesses to evolve within a consistent accounting framework.

5. The evolution of a regulatory framework for accounting in a country is usually the result of the accretion over time of often unrelated pieces of regulation designed to meet specific circumstances existing at a particular moment. This frequently results in a patchwork of rules that do not interact coherently and from which many entities may escape.
6. The emergence of the International Accounting Standards Board (IASB) as the international standard setter of reference for financial reporting for listed companies has opened the door on a new era in accounting and provides an excellent opportunity for governments to review and reform their regulatory structure for accounting in a way that is coherent with both international developments and local economic realities.

**Structure linked to International Financial Reporting Standards**

7. The 17th session of the Group debated research on the accounting needs of SMEs and concluded that

(a) developing countries and countries in transition to a market economy would benefit from an accounting architecture based on International Financial Reporting Standards (IFRS)¹; and

(b) within this overall structure, there had to be guidelines that would meet the needs of a diverse group of entities with very different economic profiles, and this could best be provided for with a three-tiered structure.

8. The research of the Group had shown that, since IFRS have been created largely for transnational enterprises operating from developed-country bases, it is difficult to apply them to SMEs in developed countries and even more difficult to do so in significantly different economic environments where the professional infrastructure is limited and the general level of business education does not extend to accounting. This is the case in many developing countries and countries with economies in transition. Further, many businesses in these countries are not profitable enough to be able to afford what professional help is available. The Group therefore concluded that its proposed three-tiered structure should allow entry at the lowest level with very simple accounting, while allowing entities that later expanded to move to a middle tier whose accounting requirements were more in line with the basic tenets of IFRS. It was thought that such entities could mostly afford to pay for the technical support needed to comply with these rules.

9. The Group decided at its 18th session to adopt recommendations based on the economic and social characteristics of business entities and including the following three tiers:

**Level 1:** Listed entities whose securities are publicly traded and those with a significant public interest should follow IFRS.

**Level 2:** Significant commercial, industrial and business entities that issue neither public securities nor financial reports to the general public may follow a single set of

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¹ In line with the new *Preface to International Financial Reporting Standards*, this document uses the generic term *IFRS* to refer to all international accounting standards and interpretations in force, as well as to International Financial Reporting Standards as such.
requirements derived from the IFRS and consistent with them, but embodying only requirements for the simplest and most regularly encountered transactions.

*Level 3:* The smallest entities that are owner-managed and have few employees should follow a simple accruals-based accounting system, closely linked to cash transactions, and with a derogation for businesses to use cash accounting for a limited time when establishing their accounting systems.

10. How exactly the boundaries between the three levels should be specified is a matter that cannot be dealt with adequately without knowledge of the specific economy in which the entities operate. The recommendation of the consultative group is that there should be a system with at least three levels, but how these are defined must be determined by each member State that chooses to apply this approach, taking into account the prevailing economic, legal and social circumstances, particularly country's enterprise structure.

**SME Guidelines on Accounting and Financial Reporting (SMEGA)**

11. This document and the accompanying addenda contain a proposed accounting and reporting framework that would meet the needs of enterprises at Level 2. It represents a considerable step up from Level 3 and is based on IFRS (essentially those in force on 1 January 2002, albeit with some modification in light of the IASB programme), but at the same time it addresses itself to a limited number of situations and transactions within the scope of IFRS. Hence, an entity following these Guidelines could not be considered in compliance with IFRS. This framework is believed to be an inclusive set of requirements that meets the needs of the vast majority of situations and transactions likely to be encountered by medium-sized businesses. However, member States may wish to provide additional guidance. The SMEGA are intended to be used by individual entities, not groups (but where an SME is structured as a group, it should apply the relevant IFRS) and do not include any provision for accounting in an inflationary environment.

12. The overall aim of the consultative group that prepared the SMEGA was to select, from within the existing IFRS, a group of requirements meeting the everyday needs of SMEs. The consultative group took the view that, to be useful and cost-effective in a developing country or transitional economy, the SMEGA should be as short as possible and should concentrate on measurement approaches that are feasible within the available infrastructure (which does not prohibit a move to a more sophisticated approach as infrastructure and resources improve) and that enable investors and creditors to make informed decisions. Similarly, the group kept in mind the SMEGA’s potential usefulness as fixing a cognitive base (body of knowledge) that could be the cornerstone of a training programme for bookkeeping and accounting staff members.

13. In general terms, it was felt that the larger the number of requirements and the greater their complexity, the larger would be the cost of training staff members to apply the requirements, and the less cost-effective the SMEGA would be. While a function of the IASB may be to address the need for rules for both frequently and infrequently encountered
transactions and situations, the consultative group considered that the SMEGA (a) should provide rules relating to groups of enterprises with international operations; and (b) should not provide guidance for transactions or cases less likely to be encountered by SMEs, in order to provide the greatest possible benefit for the smallest cost.

14. The consultative group, having reviewed similar work by national standard setters, has therefore analysed the IFRS in force and has drawn from them a condensed set of rules intended for medium-sized businesses. Each standard and interpretation was reviewed in light of the Framework for the Preparation and Presentation of Financial Statements as relevant (see footnote 1) to small and medium-sized entities. Where the group considered that the costs of including a standard were likely to exceed the benefits, it omitted the standard or, in a few cases, adapted it.

15. As far as the group is aware, no empirical research is available concerning the types of transactions carried out by SMEs that could be used to guide these choices. Members of the group had been chosen because of their knowledge of small businesses, and they applied this experience of the sector, together with comments from the debate at the 18th session of ISAR, in arriving at their conclusions. While ISAR does not have a formal due process, the different stages in the evolution of the SMEGA have been presented to member States and other interested parties for comment and discussion.

16. No accounting rules can be regarded as set in concrete, and the objective was to arrive at what the group felt was a workable set of rules, in the hope that these could be applied and subsequently improved on in the light of experience. No specific arrangements have been made by ISAR for a continuing update of the Guidelines. However, the expectation of the consultative group was that there would be a periodic review, and that modifications could systematically be presented to the annual session of ISAR. The consultative group was also mindful of the probability that the IASB would in due course take up the issue of accounting by SMEs. However, the work of the group could provide a useful contribution and interim guidance until a definitive standard was agreed on, a process that usually takes several years.

**Conceptual framework**

17. The consultative group took the view that any abridged set of requirements to form the SMEGA should be informed by the IASB Framework and be consistent with it, in order to support the link between the two and the possibility that growing entities would move from Level 2 to Level 1. It therefore developed a conceptual framework for SMEs that in turn informed the development of the SMEGA, based on the IASB literature.

**Scope**

18. The SMEGA are intended for the preparation of general-purpose financial statements, for SMEs in developed and developing countries as well as in economies in transition. Such statements are prepared annually and are intended to meet the information needs of a wide range of users.
Users

19. The users of financial statements may include present and potential investors, employees, lenders, suppliers and other trade creditors, customers, governments and their agencies and, in some jurisdictions, the public. For SMEs the most significant users are likely to be investors and creditors, and these may have the power to obtain information additional to that contained in the financial statements. Management is also interested in the information contained in the financial statements, even though it has access to additional management and financial information.

Objectives

20. The objective of financial statements is to provide information about the financial position and performance of an enterprise that is useful to users of such information in making economic decisions. Financial statements show the results of management's stewardship of and accountability for the resources entrusted to it.

Underlying assumptions

21. Financial statements are prepared on the accrual basis of accounting. They are normally prepared on the assumption that an enterprise is a going concern and will continue to operate for the foreseeable future.

Qualitative characteristics

22. Understandability: It is essential that information provided in financial statements be readily understandable by users.

23. Relevance: To be useful, information must be relevant to the decision-making needs of users.

24. Reliability: Information is reliable when it is free from material error and bias and can be depended on by users to represent faithfully that which it is said to represent.

25. Comparability: Users must be able to compare the financial statements of an entity over time in order to identify trends in the entity's financial position and performance.

26. Constraints: The balance between benefit and cost is a pervasive constraint rather than a qualitative characteristic. The benefits derived from information should exceed the cost of providing it. The evaluation of benefits and costs is, however, substantially a judgemental process. Standard setters as well as the preparers and users of financial statements should be aware of this constraint.

27. In practice, trade-offs between qualitative characteristics are often necessary. Determining the relative importance of the characteristics in different cases is a matter of professional judgement.
Elements

28. An *asset* is a resource controlled by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise.

29. A *liability* is a present obligation of the enterprise arising from past events, the settlement of which is expected to result in an outflow from the enterprise of resources embodying economic benefits.

30. *Equity* is the residual interest in the assets of the enterprise after all its liabilities have been deducted.

31. *Income* encompasses both revenue and gains. It includes increases in economic benefits during the accounting period in the form of inflows or enhancements of assets as well as decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants.

32. *Expenses* encompass losses as well as those expenses that arise in the course of the ordinary activities of the entity. Expenses are decreases in economic benefits.

Recognition

33. An item that meets the definition of an element should be recognized if (a) it is probable that any future economic benefit associated with the item will flow to or from the enterprise, and (b) the item has a cost or value that can be measured with reliability.

Measurement

34. The measurement base most commonly adopted by enterprises in preparing their financial statements is *historical cost.*

Transactions not covered by SMEGA

35. The consultative group takes the view that SMEs do not generally have very complex transactions and that therefore the SMEGA should be able to provide a basic set of requirements that will cover nearly all cases. However, there may be cases where an entity has a transaction which falls outside the SMEGA, and it is suggested that in this case the preparer look for rules within the following hierarchy:

(a) full IFRS;
(b) interpretations;
(c) appendices to standards;
(d) implementation guidance;
(e) the definitions, recognition criteria and measurement concepts set out in the conceptual framework; and
(f) previous conclusions of the Group; pronouncements of other standard setters using a similar conceptual framework to develop accounting standards; other
accounting literature and accepted industry practice, to the extent that these are consistent with items (a) to (e) above.

36. Management should use its judgment in developing an accounting policy that results in information that is relevant to the needs of investors and creditors and is reliable in nature.

37. Where management bases its accounting policy on IFRS, it should be guided by user needs in making disclosures. In such a case the entity is not then obliged to comply with the full IFRS and should continue to describe itself in its accounting policy note as complying with the SMEGA.
ACCOUNTING AND FINANCIAL REPORTING GUIDELINES FOR LEVEL 2 SMEs (SMEGA)

Guideline 1. Presentation of Financial Statements

Components of financial statements

1.1. A complete set of financial statements includes the following components:

   (a) a balance sheet;
   (b) an income statement;
   (c) a statement showing either:
       (i) all changes in equity; or
       (ii) changes in equity other than those arising from capital transactions with owners and distributions to owners;
   (d) a cash flow statement; and
   (e) accounting policies and explanatory notes.

Overall considerations

1.2 Financial statements should present fairly the financial position, financial performance and cash flows of an enterprise. The appropriate application of the Guidelines, with additional disclosure when necessary, results, in virtually all circumstances, in financial statements that achieve a fair presentation as appropriate for SMEs. In the event that the Guidelines do not cover a transaction undertaken by an enterprise, the enterprise should look to the full set of International Financial Reporting Standards (IFRS) for authoritative guidance, as set out below and in the introduction to this document.

1.3 An enterprise whose financial statements are drawn up in compliance with the Guidelines should specify in its accounting policy note that the Guidelines are the requirement followed. There should be no reference to IFRS, nor may the entity hold itself out as complying with IFRS in any form.

1.4 Inappropriate accounting treatments are not rectified either by disclosure of the accounting policies used or by notes or explanatory material.

1.5 In the extremely rare circumstances when management concludes that compliance with a requirement in the Guidelines would be misleading, and that therefore departure from a requirement is necessary in order to achieve a fair presentation, an enterprise should disclose:

   (a) that management has concluded that the financial statements fairly present the enterprise's financial position, financial performance and cash flows;

2 Appendix 1 includes a glossary. When terms given in the glossary are first mentioned in the SMEGA, they are shown in italics.
(b) that it has complied in all material respects with applicable Guidelines, except for departing from them in order to achieve a fair presentation; and
(c) the nature of the departure, including the treatment that the Guidelines would require, the reason why that treatment would be misleading in the circumstances and the treatment adopted.

1.6 When preparing financial statements, management should make an assessment of an enterprise's ability to continue as a going concern. Financial statements should be prepared on a going-concern basis unless management either intends to liquidate the enterprise or cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt on the enterprise's ability to continue as a going concern, those uncertainties should be disclosed. When the financial statements are not prepared on a going-concern basis, that fact should be disclosed, together with the basis on which the financial statements are prepared and the reason why the enterprise is not considered to be a going concern.

1.7 An enterprise should prepare its financial statements, except for cash flow information, under the accrual basis of accounting.

1.8 The presentation and classification of items in the financial statements should be retained from one period to the next unless

(a) a significant change in the nature of the operations of the enterprise or a review of its financial statement presentation demonstrates that the change will result in a more appropriate presentation of events or transactions; or
(b) a change in presentation is required by the Guidelines.

1.9 Each material item should be presented separately in the financial statements. Immaterial amounts should be aggregated with amounts of a similar nature or function and need not be presented separately. Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item judged in the particular circumstances where its presentation comes into question.

1.10 Assets and liabilities should not normally be offset in the financial statements. However, some offsetting is required or permitted in exceptional circumstances, as mandated by the Guidelines (e.g. paragraph 2.6). Offsetting may also take place where gains, losses and related expenses arising from the same or similar transactions are not material.

1.11 Unless the Guidelines permit or require otherwise, comparative information with respect to the previous period should be disclosed for all numerical information in the financial statements. Comparative information should be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.
Structure and content

1.12 Each component of the financial statements should be clearly identified. In addition, the following information should be prominently displayed, and repeated when it is necessary for a proper understanding of the information presented:

(a) the name of the reporting enterprise or other means of identification;
(b) the balance sheet date or the period covered by the other financial statements, whichever is appropriate to the related component of the financial statements; and
(c) the reporting currency.

1.13 Financial statements should be presented at least annually. When, in exceptional circumstances, an enterprise's balance sheet date changes and annual financial statements are presented for a period longer or shorter than one year, an enterprise should disclose, in addition to the period covered by the financial statements:

(a) The reason why a period other than one year is being used; and
(b) the fact that comparative amounts for the income statement, changes in equity, cash flows and related notes are not comparable.

Balance sheet

1.14 Each enterprise should determine, based on the nature of its operations, whether or not to present current and non-current assets and current and non-current liabilities as separate classifications on the face of the balance sheet. Paragraphs 1.16 to 1.20 of this Guideline apply when this distinction is made. When an enterprise chooses not to make this classification, assets and liabilities should be presented broadly in order of their liquidity.

1.15 Whichever method of presentation is adopted, an enterprise should disclose, for each asset and liability item that combines amounts expected to be recovered or settled both before and after 12 months from the balance sheet date, the amount expected to be recovered or settled after more than 12 months.

1.16 An asset should be classified as a current asset when it:

(a) is expected to be realized in, or is held for sale or consumption in, the normal course of the enterprise's operating cycle; or
(b) is held primarily for trading purposes or for the short term and is expected to be realized within 12 months of the balance sheet date; or
(c) is cash or a cash-equivalent asset that is not restricted in its use.

All other assets should be classified as non-current assets.

1.17 A liability should be classified as a current liability when it:

(a) is expected to be settled in the normal course of the enterprise's operating cycle; or
(b) is due to be settled within 12 months of the balance sheet date.

All other liabilities should be classified as non-current liabilities.

1.18 An enterprise should continue to classify its long-term interest-bearing liabilities as non-current, even when they are due to be settled within 12 months of the balance sheet date, if:

(a) the original term was for a period of more than 12 months;
(b) the enterprise intends to refinance the obligation on a long-term basis; and
(c) that intention is supported by an agreement to refinance, or to reschedule payments, which is completed before the financial statements are authorized for issue.

The amount of any liability that has been excluded from current liabilities in accordance with this paragraph, together with information in support of this presentation, should be disclosed in the notes to the balance sheet.

1.19 At a minimum, the face of the balance sheet should include line items presenting the following amounts:

(a) property, plant and equipment;
(b) intangible assets;
(c) financial assets (excluding amounts shown under (e) and (f));
(d) inventories;
(e) trade and other receivables;
(f) cash and cash equivalents;
(g) trade and other payables;
(h) tax liabilities and assets;
(i) provisions;
(j) non-current interest-bearing liabilities; and
(k) issued capital and reserves.

1.20 Additional line items, headings and subtotals should be presented on the face of the balance sheet when such presentation is necessary to present fairly the enterprise's financial position.

1.21 An enterprise should disclose the following, either on the face of the balance sheet or in the notes:

(a) for each class of share capital:
   (i) the number of shares authorized;
   (ii) the number of shares issued and fully paid, and issued but not fully paid;
   (iii) par value per share, or that the shares have no par value;
   (iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the year;
(v) the rights, preferences and restrictions attaching to that class, including restrictions on the distribution of dividends and the repayment of capital;
(vi) shares in the enterprise held by the enterprise itself; and
(vii) shares reserved for issuance under options and sales contracts, including the terms and amounts;

(b) a description of the nature and purpose of each reserve within owners’ equity;
(c) the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorized for issue; when dividends have been proposed but not formally approved for payment, the amount included (or not included) in liabilities; and
(d) the amount of any cumulative preference dividends not recognized.

An enterprise without share capital, such as a partnership, should disclose information equivalent to that required above, showing movements during the period in each category of equity interest and the rights, preferences and restrictions attaching to each category of equity interest.

**Income Statement**

1.22 At a minimum, the face of the income statement should include line items which present the following amounts:

(a) *revenue*;
(b) the results of *operating activities*;
(c) *finance costs*;
(d) *tax expense*;
(e) profit or loss from *ordinary activities*; and
(f) net profit or loss for the period.

Additional line items, headings and subtotals should be presented on the face of the income statement when such presentation is necessary to present fairly the enterprise’s financial performance.

1.23 All items of income and expense recognized in a period should be included in the determination of the net profit or loss for the period unless the SMEGA require or permit otherwise.

1.24 When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items should be disclosed separately.

1.25 Circumstances that may give rise to the separate disclosure of items of income and expense in accordance with paragraph 1.24 include the following:

(a) the write-down of inventories to *net realizable value* or property, plant and equipment to recoverable amount, as well as the reversal of such write-downs;
(b) a restructuring of the activities of an enterprise and the reversal of any provisions for the costs of restructuring;
(c) disposals of items of property, plant and equipment;
(d) disposals of long-term investments;
(e) discontinued operations;
(f) litigation settlements; and
(g) other reversals of provisions.

Information to be Presented Either on the Face of the Income Statement or in the Notes

1.26 An enterprise should present, either on the face of the income statement or in the notes to the income statement, an analysis of expenses using a classification based on either the nature of expenses or their function within the enterprise.

1.27 Enterprises classifying expenses by function should disclose additional information on the nature of expenses, including depreciation and amortization expense and staff costs.

1.28 An enterprise should disclose, either on the face of the income statement or in the notes, the amount of dividends per share, declared or proposed, for the period covered by the financial statements.

Changes in equity

1.29 An enterprise should present, as a separate component of its financial statements, a statement showing the following:

(a) the net profit or loss for the period;
(b) each item of income and expense, gain or loss which, as required by the Guidelines, is recognized directly in equity, and the total of these items; and
(c) the cumulative effect of changes in accounting policy and the correction of fundamental errors.

In addition, an enterprise should present, either within this statement or in the notes, the following:

(d) capital transactions with owners and distributions to owners;
(e) the balance of accumulated profit or loss at the beginning of the period and at the balance sheet date, and the movements for the period; and
(f) a reconciliation between the carrying amount of each class of equity capital, share premium and each reserve at the beginning and the end of the period, separately disclosing each movement.

Notes to the financial statements

1.30 The notes to the financial statements of an enterprise should:
(a) present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and events;
(b) disclose the information required by the SMEGA that is not presented elsewhere in the financial statements; and
(c) provide additional information that is not presented on the face of the financial statements but that is necessary for a fair presentation.

1.31 Notes to the financial statements should be presented in a systematic manner. Each item on the face of the balance sheet, the income statement and the cash flow statement should be cross-referenced to any related information in the notes.

1.32 The accounting policies section of the notes to the financial statements should describe the following:

(a) the measurement basis (or bases) used in preparing the financial statements; and
(b) each specific accounting policy that is necessary for a proper understanding of the financial statements.

1.33 An enterprise should disclose the following, if the information is not disclosed elsewhere in information published with the financial statements:

(a) the domicile and legal form of the enterprise, its place of incorporation and the address of the registered office (or principal place of business, if different from the registered office);
(b) a description of the nature of the enterprise's operations and its principal activities; and
(c) either the number of employees at the end of the period or the average number for the period.