

Course: B.com (Hons)

Paper title: Financial Reporting and Analysis

Paper number: BCH 6.4 (DSE-4) Group B(h)

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IFRS 1

First-time Adoption of International Financial Reporting Standards

IFRS 1 requires an entity that is adopting IFRS Standards for the first time to prepare a complete set of financial statements covering its first IFRS reporting period and the preceding year. (**retrospective application**).

The entity shall identify the **date of first IFRS financial statements** and **select accounting policies based on IFRS** and use the same accounting policies throughout all periods presented in its first IFRS financial statements.

IFRS 1 provides **limited exemptions** from the retrospective application, (where the cost of complying with them would be likely to exceed the benefits to users of financial statements).

Requires extensive disclosure to **explain how the transition** from previous standards to IFRS has affected entity's reported financial position, performance and cash flows.