		UK	IASB	Terminology used in this book
position (or balance sheet) Non-current assets Land and buildings Tangible fixed assets Land and buildings Tangible fixed assets Property, plant and equipment Inventories Inventories Work in process (WIP) in manufacturing industries Work in progress (WIP) in manufacturing industries Work in progress (WIP) in manufacturing industries Work in progress (WIP) in services, construction or engineering services Debtors Debtors Receivables Accounts receivable Bad debts, doubtful debts Provision for doubtful debts Provision for doubtful debts Own shares Shareholders' equity, Shareholders' funds (or capital and reserves) Ordinary shares Share premium Reserves, retained profit, profit and loss account Debts Debenture loan Creditors: amounts falling due after more than one year Creditors: amounts falling due within one year Trade creditors  Profit and loss account Statement of comprehensive income (income statement, if presented separately) Turnover Revenue Charge Interest payable Inventories Work in progress (WIP) in manufacturing industries Work in progress (WIP) in services, construction or	ements	Accounts	Financial statements	Financial statements
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Tangible fixed assets  Property, plant and equipment  Stocks  Nork in process (WIP) in manufacturing industries  Work in progress (WIP) in manufacturing industries  Work in progress (WIP) in services, construction or engineering services  Debtors  Trade debtors  Bad debts, doubtful debts  Provision for doubtful debts  Own shares  Shareholders' equity, Shareholders' funds (or capital and reserves)  Ordinary shares  Share premium  Preference shares  Share premium  Preference shares  Share premium  Preference shares  Creditors: amounts falling due after more than one year  Creditors  Creditors  Creditors: amounts falling due within one year  Trade creditors  Profit and loss account  Statement of comprehensive income latered in the reserved interest received  Inventories  Inventories  Work in progress (WIP) in manufacturing industries  Work in progress (WIP) in services onstruction or engineering services  Receivables  Accounts receivable  Preference shares  Share capital  Cure capital cardinary  Share holders' equity  Shareholders' equity  Shareholders' equi	bed assets			
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Creditors: amounts falling due after more than one year Creditors Creditors: Accounts falling due within one year Trade creditors  Profit and loss account  Statement of comprehensive income (income statement, if presented separately)  Turnover Charge Interest payable  Finance cost Interest received Profit  Non-current liabilities  Long-term liabilities	wable	Debenture loan		Bonds, notes payable.
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Profit Profit Income			_	
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Table 5.20 (continued)					
USA	UK	IASB	Terminology used in this book		
Others	Furancial statements		similarista internal		
Statement of cash flows	Cash flow statement	Statement of cash flows	Statement of cash flows		
Leverage	Gearing		Leverage		
Stock	Share	Share	Share		
Residual value, salvage value, terminal value	Scrap value	Residual value	Residual value		
Declining balance method	Reducing balance method	4 (25,000,000,100,000,000	Declining balance method		
Pay check	Pay slip	-23	Pay slip		
Corporation	Company	+	Company		
Conservatism	Prudence	Prudence ,	Prudence		

## Key points

- The various (and numerous) users of financial statements need to understand the financial information in the same way. For that reason, within each country, local regulations issue generally accepted accounting principles (GAAP) that are called accounting standards or financial reporting standards which include specific principles, bases, conventions, rules and practices necessary to prepare the financial statements.
- The International Accounting Standards Board's main objective is to promote convergence of accounting principles that are used by businesses and other organizations for financial reporting around the world.
- An annual report includes financial data describing

- Financial statements include, as a minimum and ance sheet, an income statement and notes to statements. Additionally, they tend to also composite statement of cash flows and a statement of cash in shareholders' equity.
- The several possibilities of presentation that executive the balance sheet do not affect its generic contents.
- There are several ways of presenting an statement. They all provide the same bottom in the same bottom in the same bottom.
- For the income statement, the choice between a seen entation by nature or by function is always decrease.
- The notes to the financial statements (often confidence) are an essential component of the mation provided through financial statements.
- Notes to financial statements constitute