

# Guidance on the use of international Accounting terminology



International Accounting Standard 1 (IAS1) relates to the presentation of accounts, and has introduced some new terminology as well as a revised treatment of dividends. This has been incorporated into three new financial reporting standards (FRS): FRS100, FRS101 and FRS102, which will now apply for periods beginning on or after 1 January 2015.

This document provides clarification for teachers and lecturers on the use of International Accounting Standards (IAS) terminology.

| <b>Current UK Term</b>                          | <b>International Term</b>  |
|---|--|
| Accruals  | Other payables   |
| Balance Sheet                                   | Statement of financial position  |
| Bank and cash                                   | Cash and cash equivalents  |
| Cash flow statement                             | Statement of cash flows  |
| Cost of goods sold                              | Cost of sales  |
| Current assets                                  | Current assets (*no change)  |
| Current liabilities                             | Current liabilities (*no change)   |
| Equity or capital                               | Equity   |
| Final accounts                                  | Financial statements   |
| Fixed assets                                    | Non-current assets   |
| Goodwill and Preliminary Expenses               | Intangible assets  |
| Gross profit                                    | Gross profit (*no change)  |
| Interest payable                                | Finance costs  |
| Interest receivable                             | Investment revenues  |
| Land and buildings                              | Property   |
| Loans repayable after 12 months                 | Bank loan (also other loans)   |
| Long term liabilities                           | Non-current liabilities  |
| Net loss  | Loss for the year  |
| Net profit                                      | Profit for the year  |
| Prepayments                                     | Other receivables  |
| Proposed dividends                              | No proposed dividends as only dividends that have been approved are included |
| Sales/Turnover                                  | Sales Revenue  |
| Stocks of raw materials, WIP and finished goods | Inventory  |
| Sundry expenses                                 | Other operating expenses   |
| Sundry income                                   | Other operating income   |

|  |                   |
|--|-------------------|
| Trade creditors  | Trade payables    |
| Trade debtors  | Trade receivables |
| Trading and profit and loss account including appropriation of profits | Income statement  |