

S249: Draft Financial Statements

Overview: Draft financial statements of incorporated organisations following the preparation of an initial trial balance. This standard is imported from the **FSSC Accountancy and Finance suite**.

Links: Business Resources; Finance

Specific skills:

- Checking
- Communicating
- Monitoring
- Problem Solving
- Managing time
- Using technology

Performance Indicators

1. Identify the users of financial accounting information and financial statements;
2. Identify the general purpose, elements and relationships between the elements of financial statements;
3. Use appropriate information to draft financial statements in the appropriate form and in compliance with relevant accounting standards and domestic legislation and with the organisation's policies, regulations and procedures;
4. Correctly identify and implement subsequent adjustments;
5. Identify discrepancies, unusual features or queries and either resolve them or refer to the appropriate person;
6. Prepare simple consolidated accounts;
7. Prepare and interpret a cash flow statement;
8. Interpret financial statements using ratio analysis;
9. Draw valid conclusions from the information contained within financial statements;
10. Present issues, interpretations and conclusions clearly to the appropriate people.

Knowledge & Understanding

The Business Environment

- A. The elements and purposes of financial statements of the organisation;
- B. The statutory form of financial statements and disclosure requirements;
- C. Relevant accounting standards;
- D. The obligations of directors or other responsible parties in respect of financial statements;
- E. The forms of equity, reserves and loan capital;
- F. The presentation of business taxation in financial statements;
- G. The audit needs and threshold relating to accounts;
- H. The differences between the published accounts and financial statements of different types of organisations.

Accounting Techniques, Principles and Theory

- I. Generally accepted accounting principles and concepts;
- J. The types of financial statements and how to prepare them in the proper form;
- K. The elements of financial statements;
- L. The types of relationship between the elements of financial statements;
- M. How to calculate and interpret accounting ratios and analyse the information contained in financial statements;
- N. The concept of group accounts and the general principles of consolidation