

FINANCIAL STATEMENTS UNDERSTANDABILITY BASED AN EXPLANATORY NOTES

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ABSTRACT: The present article is the result of the observation, analyses and personal conclusions over the development of the IFRS at global level, their impact over the national and international companies all over the world and, nevertheless, the informational inputs from the Financial Statements which must be defined by the level of their transparency, relevance and comparability. The authors' intention through this article was to define the transparency of the Financial Statements imposed by the General Framework, IFRS, IAS, IFRIC, SIC, guides of interpretation, case studies and conclusions. In which way the Financial Statements could be transparent and relevant when 4 of the 5 components of the Financial Statements are flooded by numbers that have no meaning for those with no specific skills and knowledge? The answer is given by IFAC through the Accounting Policies and Explaining Notes. It's a matter of economic general knowledge and know-how concerning the IFRS area of interest and also the skills of the accounting professionals to turn the numbers into simple, comprehensive and relevant explanations, in such matter that, after the lecture of the financial statements, any user may make the best economic decisions.

Keywords: Accurate presentation, financial statements, financial position, performance, cash flows, accounting policies and explaining notes economic decisions

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