



سازمان بورس و اوراق بهادار
Securities & Exchange Organization

ترجمه انگلیسی صورتهای مالی نمونه
مبتنی بر استانداردهای حسابداری ایران

سازمان بورس و اوراق بهادار
آبان ۱۳۹۸

**ABC Company (public joint stock)
Financial Statements
For the year ended 19 March 20X2**



ABC Company (public joint stock)
Financial Statements
For the year ended 19 March 20X2

Dear Shareholders

Financial statements of ABC company (public joint stock) for the year ended 19 March 20X2 are attached. Components of the financial statements are as follows:

	<u>Page</u>
• Statement of profit or loss	2
• Statement of comprehensive income	3
• Statement of financial position	4-5
• Statement of changes in equity	6
• Statement of cash flows	7
• Notes to the financial statements	8-58

Financial statements have been prepared according to **Iran Accounting Standards (IRAS)** and were approved by the Board of Directors at ... (date).

<u>Members of the board of directors</u>	<u>Name of representative of legal persons</u>	<u>Position</u>	<u>Signature</u>
.....	Chairman of the Board	.....
.....	Deputy Chairman of the Board	.....
.....	Board member and CEO	.....
.....	Board member and sales manager	.....
.....	Board member	.....
.....

ABC Company (public joint stock)
Statement of profit or loss
For the year ended 19 March 20X2

	<u>Notes</u>	<u>Year ended</u> <u>19/03/20x2</u> IRR million	<u>(restated)</u> <u>Year ended</u> <u>19/03/20x1</u> IRR million
Continuing operations			
Revenue	5	.....	.....
Cost of revenue	7	(.....)	(.....)
Gross profit		.....	.....
Selling, administrative and general expenses	8	(.....)	(.....)
Impairment loss on receivables ¹	9	(.....)	(.....)
Other income	10	.....	.....
Other expenses	11	(.....)	(.....)
Operating profit		.....	.....
Finance costs	12	(.....)	(.....)
Other gains (losses)	13	.....	(.....)
Profit before tax (loss) from continuing operations		.....	.....
Income tax expense			
Current year	37	(.....)	(.....)
Prior years	37	(.....)	(.....)
Net profit (loss) from continuing operations		.....	.....
Discontinued operations			
Net profit (loss) from discontinued operations	14	.....	(.....)
Net profit		.....	.....
Basic earnings per share			
Operating (IRR)		.....	.....
Non-operating (IRR)		.....	.....
Basic earnings (loss) per share from continuing operations (IRR)		.....	.....
Basic earnings (loss) per share from discontinued operations (IRR)		.....	(.....)
Basic earnings (loss) per share (IRR)	15	.....	.....

The notes are an integral part of the financial statements.

¹ Since the Impairment loss recognized on receivables is due to the bankruptcy of a significant customer, for the better understanding of the financial performance of the company and according to paragraph 86 of IRAS 1, the amount is reported separately in the statement of profit(loss).

ABC Company (public joint stock)
Statement of comprehensive income
For the year ended 19 March 20X2

	<u>Notes</u>	<u>Year ended</u> <u>19/03/20x2</u> IRR million	<u>(restated)</u> <u>Year ended</u> <u>19/03/20x1</u> IRR million
Net profit		.....	.....
Other comprehensive income			
Gain on revaluation of property, plant and equipment	16	.....	-
Exchange differences on translation of foreign operations	32	(.....)	.....
Income tax relating to other comprehensive income		(.....)	(.....)
Other Comprehensive income, net of income tax		.....	.....
Total comprehensive income for the year		.....	.....

The notes are an integral part of the financial statements.



ABC Company (public joint stock)
Statement of financial position
at 19 March 20X2

	Notes	19/03/20x2 IRR million	(restated) 19/03/20x1 IRR million	(restated) 20/03/20x0 ¹ IRR million
Assets				
Non-current assets				
Property, plant and equipment	16	.....	.....	.....
Investment property	17	.....	.....	.....
Intangible assets	18	.....	.....	.....
Non-current investments	19	.....	.....	.....
Non-current receivables	20	.....	.....	.....
Other assets	21	.....	.....	.....
Total non-current assets		.....	.....	.....
Current assets				
Prepayments	22	.....	.....	.....
Inventories	23	.....	.....	.....
Trade and other receivables	20	.....	.....	.....
Current investments	24	.....	.....	.....
Cash	25	.....	.....	.....
Non-current assets held for sale	26	.....	.....	.....
Total current assets		.....	.....	.....
Total assets		.....	.....	.....
Equity and liabilities				
Equity				
Share capital	27	.....	.....	.....
Share capital increase in-process	28	.....	.....	.....
Share premium	29	.....	.....	.....
Treasury share premium		.....	.....	-
Statutory reserve	30	.....	.....	.....
Other reserves	31	.....	.....	.....
Revaluation surplus		.....	.....	.....
Exchange differences on translating of foreign operations	32	.....	.....	.....
Retained earnings		.....	.....	.....
Treasury shares	33	(.....)	(.....)	(.....)
Total equity		.....	.....	.....
Liabilities				
Non-current liabilities				
Non-current payables	34	.....	.....	.....
Non-current financial facilities	35	.....	.....	.....
Provisions for employees' termination benefits	36	.....	.....	.....
Total non-current liabilities		.....	.....	.....
Current liabilities				
Trade and other payables	34	.....	.....	.....
Tax liabilities	37	.....	.....	.....
Dividends payable	38	.....	.....	.....
Financial facilities	35	.....	.....	.....
Provisions	39	.....	.....	.....
Advances	40	.....	.....	.....
Liabilities related to non-current assets held for sale	26	.....	.....	.....
Total current liabilities		.....	.....	.....
Total liabilities		.....	.....	.....
Total equity and liabilities		.....	.....	.....

The notes are an integral part of the financial statements.

¹ According to paragraph 39 of IRAS 1, an entity shall present a third statement of financial position at the beginning of the preceding period in addition to the minimum comparative financial statements required in paragraph 37 if: (1) applies an accounting policy retrospectively, (2) makes a retrospective restatement of items in its financial statements or (3) reclassifies items in its financial statements and the circumstances were mentioned above have a material effect on the information in the statement of financial position at the beginning of the preceding period.

ABC Company
Statement of changes in equity
For the year ended 19 March 20X2

	Share capital	Share capital increase in-process	Share premium	Treasury share premium	Statutory reserve	Other reserves	Revaluation surplus	Exchange differences on translation of foreign operations	Retained earnings	Treasury shares	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Balance at 20/03/20x0	(.....)
Correction of errors (note 41)	-	-	-	-	-	-	-	-	(.....)	-	(.....)
Changes in accounting policies (note 41)	-	-	-	-	-	-	-	-	(.....)	-	(.....)
Balance at 20/03/20x0 (restated)	(.....)
Changes in equity for the year ended 19/03/20x1											
Net profit for the year ended 19/03/20x1 (as previously reported)	-	-	-	-	-	-	-	-	-
Correction of errors (note 41)	-	-	-	-	-	-	-	-	(.....)	-	(.....)
Changes in accounting policies (note 41)	-	-	-	-	-	-	-	-	(.....)	-	(.....)
Net profit for the year ended 19/03/20x1 (restated)	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of income tax	-	-	-	-	-	-	-	-
Total comprehensive income for the year ended 19/03/20x1	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(.....)	-	(.....)
Share capital increase	-	-	-	-	-	-	-
Share capital increase in-process	-	(.....)	-	-	-	-	-	-	-	-	(.....)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(.....)	(.....)
Treasury shares sold	-	-	-	-	-	-	-	-	-
Profit (loss) arising from treasury shares sold	-	-	-	(.....)	-	-	-	-	-	-	(.....)
Transfer to retained earnings from other equity	-	-	-	-	-	(.....)	(.....)	-	-
Allocation to statutory reserve	-	-	-	-	-	-	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	(.....)	-	-
Balance at 19/03/20x1 (restated)	-	-	(.....)
Changes in equity for the year ended 19/03/20x2											
Net profit for the year ended 19/03/20x2	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of income tax	-	-	-	-	-	-	-	-
Total comprehensive income for the year ended 19/03/20x2	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(.....)	-	-
Share capital increase	-	-	-	-	-	-	(.....)	-
Share capital increase in-process	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(.....)	(.....)
Treasury shares sold	-	-	-	-	-	-	-	-	-
Profit (loss) arising from treasury shares sold	-	-	-	-	-	-	-	-
Transfer to retained earnings from other equity	-	-	-	(.....)	-	-	(.....)	(.....)	-	-
Allocation to statutory reserve	-	-	-	-	-	-	-	(.....)	-	-
Allocation to other reserves	-	-	-	-	-	-	-	(.....)	-	-
Balance at 19/03/20x2	(.....)

The notes are an integral part of the financial statements.

ABC Company (public joint stock)
Statement of cash flows
year ended 19 March 20X2

	<u>Note</u>	<u>Year ended</u> <u>19/03/20x2</u> IRR million	<u>(restated)</u> <u>Year ended</u> <u>19/03/20x1</u> IRR million
Cash flows from operating activities			
Cash generated from operations	42	.....	.....
Income tax paid		(.....)	(.....)
Net cash flows from/(used in) operating activities		.....	.....
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		.....	.....
Payments for purchase of property, plant and equipment		(.....)	(.....)
Proceeds from sale of non-current assets classified as held for sale		.....	.....
Proceeds from sale of intangible assets		.....	.....
Payments for purchase of intangible assets		(.....)	(.....)
Proceeds from sale of non - current investments		.....	.....
Payments for purchase of non-current investments		(.....)	(.....)
Proceeds from sale of investment property		.....	.....
Payments for purchase of investment property		(.....)	(.....)
Proceeds from sale of current investments		.....	.....
Payments for purchase of current investments		(.....)	(.....)
Loans paid to other parties		(.....)	(.....)
Proceeds from repayment of loans paid to other parties		.....	.....
Proceeds from the interest of loans paid to other parties		.....	.....
Dividends received		.....	.....
Interest received from other investments		.....	.....
Net cash flows from/(used in) investing activities		.....	.....
Net cash flows from/(used in) before financing activities		.....	.....
Cash flows from financing activities			
Proceeds from issue of ordinary shares		.....	.....
Proceeds from share premium		.....	.....
Proceeds from sales of treasury shares		.....	.....
Payments for purchase of treasury shares		(.....)	(.....)
Proceeds from facilities received		.....	.....
Interest paid for facilities received		(.....)	(.....)
Repayments for facilities received		(.....)	(.....)
Proceeds from issuing debt securities		.....	.....
Repayments of debt securities		(.....)	(.....)
Interest paid for debt securities		(.....)	(.....)
Proceeds from issuing debt discounting securities		.....	.....
Repayments for debt discounting securities		(.....)	(.....)
Interest paid for debt discounting securities		(.....)	(.....)
Repayments of finance lease liabilities		(.....)	(.....)
Interest paid for finance lease liabilities		(.....)	(.....)
Dividends paid		(.....)	(.....)
Net cash flows from/(used in) financing activities		.....	.....
Net Increase (decrease) in cash		.....	(.....)
Cash at the beginning of the year		.....	.....
Effect of exchange rate changes		.....	.....
Cash at the end of the year		.....	.....
Non-cash transactions	43	.....	.....

The notes are an integral part of the financial statements.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

1- General information

1-1- History

ABC Company with national ID Number ... was established as a private joint stock company on .../.../... and was registered under number ... with companies' registration general office of ... (Province) on .../.../... The operation of the company commenced from .../.../... According to the resolution of extra ordinary general meeting held on .../.../... the type of the company changed to "Public joint stock". The company was accepted in [Tehran Stock Exchange (TSE)/Iran Fara Bourse] on .../.../... ABC company is one of the subsidiaries of ... Company and the ultimate parent is ... Company. The address of company's registered office is ... (address) and its main activity is in ... (city).

[Any changes in company's name or other identifications in comparison to the previous period should be disclosed.]

1-2- Main activity

According to the article of the articles of association, the main activity of the company is The main activity of the company during the reporting year was

1-3- Number of staff

The average monthly number of staff and the number of outsourced personnel who render part of servicing affairs of the company during the year are as follows:

	<u>20x2</u>	<u>20x1</u>
Permanent staff
Contractual staff

Outsourcing personnel

2- New and revised accounting standards in issue but not yet effective

2-1- IRAS 35 as "Income Taxes"

[Any future significant effects arising from implementing IRAS 35 «Income Tax» should be disclosed here.]

3- Significant accounting policies¹

3-1- Measurement basis used in preparation of financial statements

Financial statements have been prepared on the historical cost basis except for the following circumstances that current values have been used:

A- Marketable investments under market value method (Note 24).

B- Machinery and equipment under revaluation method (Note 16-2).

3-2- Revenue

Revenue is measured at the fair value of the consideration received or receivable net of any estimated rebates and discounts and sales returns.

3-2-1 -Revenue from the sale of goods is recognized when the goods are delivered to customer.²

3-2-2- Revenue from the rendering of services is recognized when they are rendered.

3-3- Segment Reporting

3-3-1- Company's segment is known as a "reportable segment", if (a) major part of its revenue is from sale to external customers and its revenue, including both sales to external customers and intersegment sales, is 10% or more of the combined revenue, both internal and external, of all segments, or (b) the absolute amount of its reported profit or loss is at least 10% or more of the greater, in absolute amount, of (i) total operating profit of all segments (that did not report a loss) and (ii) total reported loss of all operating

¹ Accounting policies that are not relevant, should not be disclosed.

² For each entity, the recognition time should be adjusted based on the criteria in paragraphs 15 and 21 of IRAS 3 "revenue". For example, in case of a sale subject to installation, revenue from the sale of goods is recognized when goods are installed

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

segments that reported a loss or (c) its assets are 10% or more of the total assets of all operating segments. Moreover, total revenue arising from sale to external customers which is attributable to reportable segments, should be more than 75% of total company's revenue.¹

- 3-3-2- Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company.
- 3-3-3- Revenue from transactions with other segments (inter-segment transfers), is measured on the basis of entity's transfer pricing policy. Segment operating expenses include expenses resulting from the main and continuous activities of a segment, other directly attributable expenses that are attributable to the segment and the relevant portion of common expenses that are allocated on basis of the ratio of segment revenue to total company's revenue to the reportable segment.

3-4- Translation of foreign currency

- 3-4-1- Foreign currency monetary items shall be translated using available exchange rates at the date of the statement of financial position and non-monetary items that are measured in terms of cost in a foreign currency shall be translated using the available exchange rate at the date of the transaction. Available exchange rates are as follows:

<u>Balances and related transactions</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Reasons for applying the rate</u>
Foreign currency facilities	Euro	Central bank ... IRR	.....
Foreign currency receivables	Dollar	Nimayi ... IRR	.....
.....

- 3-4-2- Exchange differences arising on the settlement of or on translating monetary items are recognized as follows:
- A- Exchange differences of foreign currency facilities relating to qualifying assets are accounted as cost of the asset.
- B- In other circumstances, they are recognized in profit or loss when incurred.
- 3-4-3- When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. If exchangeability between two currencies is temporarily lacking, the rate used is the first subsequent rate at which exchanges could be made.
- 3-4-4- The assets and liabilities of foreign operations are translated using the available exchange rates at the date of the statement of financial position and income and expenses of foreign operations are translated using the exchange rates at the dates of the transactions. All exchange differences arising on the settlement of foreign operating are recognized in statement of comprehensive income and are accumulated under a separate component of equity. Exchange differences arising on monetary items that are part of the company's net investment in a foreign operation, are recognized in other comprehensive income and are accumulated in a separate component of equity until disposal of the investment.

3-5- Borrowing costs

Borrowing costs are recognized as an expense in the period in which they incur, unless they are directly attributable to the acquisition of "qualifying assets".

3-6- Property, plant and equipment

- 3-6-1- Property, plant and equipment, excluding notes 3-6-2 and 3-6-3, are measured at cost. Subsequent expenditures of an item of property, plant and equipment that improve its condition in comparison with originally assessed standard of performance and increase its future economic benefits, are added to carrying amount of the asset and are depreciated over residual useful life of relevant asset. The costs of the day-to-day servicing of an item of property, plant and equipment for its repair and maintenance is recognized as expense when incurred.
- 3-6-2- Machinery and equipment are carried at revalued amounts. Revaluation was done at ... by an independent expert. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. The frequency of revaluation is

¹ In cases of less than 75% and other cases in accordance with relevant accounting standard, the text of the notes is adjusted.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

- 3-6-3- Property, plant and equipment, that the ownership will transfer to the lessee by the end of the lease term in accordance with the lease contract, is measured at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The interest rate implicit in the lease is used for calculating the present value of the minimum lease payments.
- 3-6-4- The depreciation of property, plant and equipment, including property arising on finance lease, reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity pattern, considering article (149) of amendments (22 July 2015) of Direct Taxation Act (1987). Depreciation rates and methods are:

<u>Asset</u>	<u>Depreciation method</u>	<u>Depreciation rate</u>
Building
Plant
Machinery and equipment
Motor vehicles
Furniture and fixtures
Tools

- 3-6-4-1- Depreciation of assets acquired and used during the month, begins from beginning of the next month. In cases where any of the depreciable assets (excluding buildings and installations) are not used in more than 6 consecutive months in a financial period after preparation for operation due to closures or other causes, the depreciation rate for the said period shall be 30% of the depreciation rate reflected in the table above. In this case, if the depreciation calculation is by term, 70% of the time the asset is not in use, will be added to the remainder of the depreciation duration determined of assets in this table.
- 3-6-4-2- revalued assets are depreciated based on the revalued carrying amount and the remaining useful life of the asset.

3-7- Assets revaluation surplus

- 3-7-1- If an asset's carrying amount is increased as a result of a revaluation (non-operating unrealized income due to revaluation), the increase is recognized directly in statement of comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognized as profit in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized as expense in profit or loss.
- 3-7-2- If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as expense in profit or loss. However, the decrease is recognized in statement of comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in statement of comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.
- 3-7-3- The revaluation surplus included in equity in respect of an item of assets is transferred directly to retained earnings when the asset is retired or disposed of or used by an entity. The amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Share capital increase is not allowed directly from the revaluation surplus unless permitted by law.

3-8- Investment property

An investment property shall be measured at cost after deducting any accumulated impairment. Investment property revenue is measured at the fair value of the consideration received or receivable net of any estimated rebates and discounts and sales returns. Investment property includes investment in a land or a building for which construction and development operations are completed and is held for the potential value that it has as an investment (adding value and rent) rather than held for use by the company.

3-9- Intangible assets

- 3-9-1- Intangible assets are measured at cost. Costs of introducing a new product or service such as costs of advertising, costs of conducting business in a new location or with a new class of customer for example costs of staff training, and administration and other general overhead costs are not recognized as cost of intangible assets. Recognition of costs in the carrying amount of an intangible asset ceases when the asset

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

is in the condition necessary for it to be capable of operating in the manner intended by management. Therefore, costs incurred in using or redeploying an intangible asset is not included in the carrying amount of that asset.

3-9-2- The amortization method of intangible assets with a finite useful life reflects the pattern in which the asset's economic benefits are expected to be consumed by the entity. The amortization rates and methods are:

<u>Asset</u>	<u>Amortization method</u>	<u>Amortization rate</u>
Technical knowledge
Software
.....

3-9-3- Key money is not amortized because of having an indefinite useful life.

3-10- Impairment loss of non-current assets

3-10-1- Impairment testing for the asset is done at the end of each reporting period, if there is any indication that an asset may be impaired Hence, estimated recoverable amount of the asset is compared with carrying amount. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit) is determined.

3-10-2- Impairment test is done annually for intangible assets with an indefinite useful life irrespective of whether there is any indication of impairment.

3-10-3- The recoverable amount of an asset (or a cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

3-10-4- If, and only if, the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset reduces to its recoverable amount. That reduction is an impairment loss that shall be recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of revalued asset shall be treated as a decrease in revaluation surplus.

3-10-5- In the case of increasing recoverable amount of an asset (or cash-generating unit) since the last impairment loss was recognized, the carrying amount of the asset will be increased maximum to its new recoverable amount (with assuming no impairment losses recognized in prior years). That reversal of an impairment loss for an asset is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any reversal of an impairment loss of a revaluated asset will be treated as increase in revaluation surplus.

3-11- Inventories

3-11-1- Inventories are measured at the "lower of cost and net realizable value" of each item/group of similar items. If cost of the inventory exceeds the net realizable value, the difference is recognized as "impairment of inventories". Cost of inventories is measured according the following methods:

	<u>Method</u>
Raw materials	First in first out
Work in progress	First in first out
Finished goods	Weighted average
Components and spare parts	Weighted average

3-11-2- Weighted average method was used to measure raw materials before 20x2, but measuring method changed to First in first out due to ... from first of 20x2. The change has applied retrospectively. (Note 41-2)

3-12- Non -current assets held for sale

3-12-1- Non-current assets (or disposal groups) are classified as "assets held for sale" when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets (or disposal groups) must be available for immediate sale in their present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), and its sale is highly probable. For the sale to be highly probable, the appropriate level of management must be

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

committed to a plan to sell the assets (or disposal groups) and the sale should be expected to qualify for recognition as a completed sale within one year from date of classification except circumstances beyond the management's control.

3-12-2- Non-current assets or (disposal groups) classified as held for sale are measured at the lower of their carrying amount and net realizable value.

3-13- Provisions

provision are liabilities of uncertain timing or amount. A provision shall be recognized when an entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

3-13-1- Provision for products guarantee

Provision for guaranteed products is estimated and recognized based on ...% of the annual sales of guaranteed products.

3-13-2- Provision for an onerous contract

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

3-13-3- Provision for employees' termination benefits

Provision of employees' termination benefits is calculated and taken into account based on the latest one month fixed salary and continuing benefits for each year of their service.

3-14- Investments

Measurement

Non-current investments

Investment in securities Cost less any accumulated impairment losses

Current Investments

Marketable investments Market value

Other current investments Lower of cost and net realizable value for each investments

Income recognition

Current and non-current investments in equity securities When dividends are approved in the annual general meeting of the investee (until date of the statement of financial position)

Investment in other securities When the interest is realized

3-15- Debt securities

Debt securities issued at discount will be recorded, based on the "gross method". related discount as well as issuance expenditures is amortized based on the "effective interest rates" at interest payment intervals.

3-16- Treasury shares

3-16-1- Treasury shares are measured and recognized at its cost and is presented as a deducting item in equity in the statement of financial position. No gain or loss shall be recognized on purchase, sale, issue or cancellation of such shares in the statement of profit or loss. Any considerations shall be recognized directly in equity.

3-16-2- No gain or loss is recognized in profit or loss or statement of comprehensive income when treasury shares are sold Any difference between the carrying amount and the sales amount, is recognized under the heading of "treasury share premium (discount)".

3-16-3- Debit balance of the "treasury share premium (discount)" is transferred to retained earnings at the date of reporting. Credit balance of "treasury shares premium (discount)" is transferred to retained earnings to the extent that discount of treasury shares previously transferred to retained earnings and the remaining

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

is presented in equity in statement of financial position under the heading of “treasury share premium”.

The “treasury share premium” is transferred to retained earnings when all treasury shares are sold off.

3-16-4- If part of treasury shares is sold, the carrying amount of each treasury share is calculated on the basis of the average cost of total treasury shares.

4- Management judgements in applying accounting policies and estimates

4-1- Judgements in applying accounting policies

4-1-1- Investments classified as non- current assets

Board of directors intends to maintain non-current investments for a long time with considering capital maintenance and cash needed. These investments are held for the purpose of continuous use by the company and are intended to maintain a portfolio of investment to generate income or increase capital for the company

4-2- Judgements relating to estimates

4-2-1- Provision for products guarantee

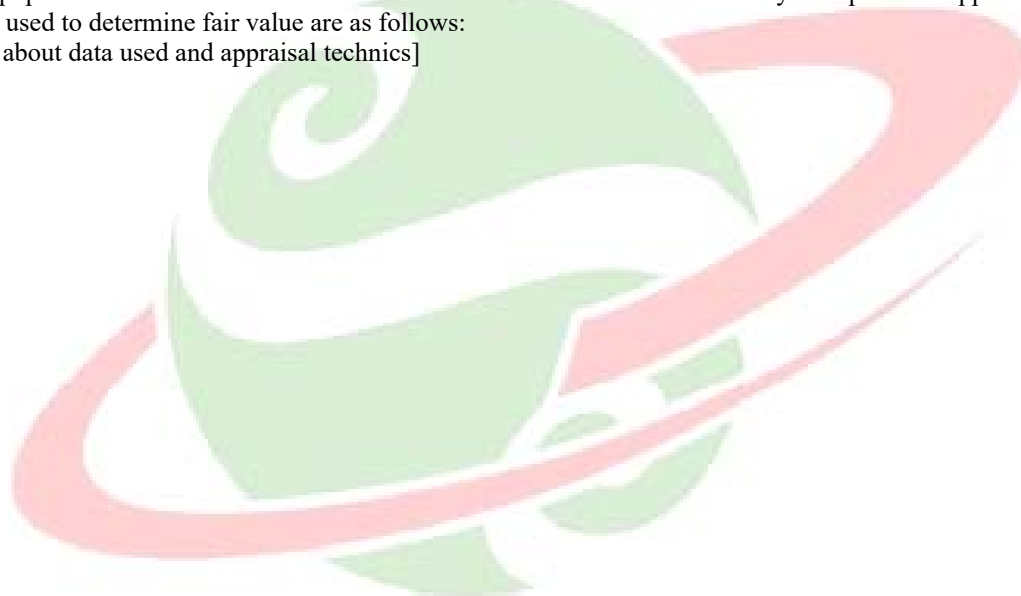
Board of directors estimates provision for guaranteed products according to sale amounts, the results of previous years and feed backs received from customers during the year. At the end of the current year, the estimated amount is IRR million and the estimated amount for the last year was IRR million.

4-2-2- Plant and equipment revaluation

Plant and equipment are carried at a revalued amount. Revaluation was done by independent appraisers.

Assumptions used to determine fair value are as follows:

[Information about data used and appraisal technics]



ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

5- Revenue

	Year ended 19/03/20x2		Year ended 19/03/20x1	
	Quantity	Amount IRR million	Quantity	Amount IRR million
Net sale				
Domestic				
Product/Groups of product
Product/Groups of product
Others (items less than 10% of gross sale)

Export				
Product/Groups of product
Product/Groups of product
Others (items less than 10% of gross sale)

Gross sale	
Sales return		(.....)		(.....)
Discounts		(.....)		(.....)
Net sale	
Revenue from rendering of services	
	

5-1- Revenue analysis according to the relationship with parties:

	Year ended 19/03/20x2		Year ended 19/03/20x1	
	Revenue IRR million	Percentage to total revenue	Revenue IRR million	Percentage to total revenue
Related parties
Other customers
	100	.....	100

5-2- Revenue from rendering of services

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Fees
.....
Others (items less than 10% of revenue from the rendering of services)

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

5-3- Comparative table of revenue and related cost

	Year ended 19/03/20x2			Year ended 19/03/20x1	
	Revenue	Cost of revenue	Gross profit	Gross profit to revenue	Gross profit to revenue
	IRR million	IRR million	IRR million	%	%
Net sale					
Product/Groups of product	(.....)
Product/Groups of product	(.....)
Others (items less than 10% of revenue)	(.....)

Rendering of services					
Fees	(.....)
...	(.....)
Others (items less than 10% of revenue)	(.....)



ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

6- Segment Reporting¹

6-1- Information about business segments of the company is as follows:

	(Amounts in IRR million)									
	Group of goods/Good ...		Group of goods/Good ...		Other operations		Omission		Aggregated	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
Revenue:										
Sales to external customers
Inter-segments Sale
Total revenue
Result of operation of segment
Unallocated common costs									(....)	(....)
Operating Profit								
Other information:										
Segment assets
Unallocated common assets								
Total consolidated assets								
Segment liabilities
Unallocated common liabilities								
Total consolidated liabilities								
Capital expenditures
Depreciation
Other noncash expenses except depreciation

6-2- The company has two main operating segments in Iran, including produce of group of product/product ... and Separate product manager is responsible for each of above segment acting under the supervision of managing director. These segments are basis for reporting information of company's segments. Major products of these segments are:

Segment	Name of major products
Product/Groups of product
Product/Groups of product

¹ According to the IRAS 25 all companies that their equity or debt securities are publicly traded or are in the process of public issuance shall disclose this information. Other entities can disclose segment information voluntarily in financial statements. If disclosure of information by geographical segment is necessary, it will be disclosed as appropriate in this note.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

- 6-3- Assets of each segment includes all operating assets in segment that mainly encompass cash, receivables, inventories and property, plant and equipment (net of allowances). Although most of these assets are directly attributable to each segment, but the carrying amount of certain assets used jointly by two or more segments is allocated to those segments on logical basis. Segment liabilities include all operating liabilities that mainly encompass notes and accounts payable, advances and other payable items. Segment liabilities do not include income tax.
- 6-4- Segment revenue, segment operating expenses and segment result of operation includes inter-segment transfers. Such transfers are measured at competitive market prices for external customers. These transfers will be omitted in the aggregation.

7- Cost of revenue

	(Amounts in IRR million)					
	Year ended 19/03/20x2			Year ended 19/03/20x1		
	Sale	Rendering of services	Total	Sale	Rendering of services	Total
Direct materials	-	-
Direct labor
Overhead						
Indirect labor
Indirect material	-	-
Depreciation
.....
Others (items less than 10% of overhead)
Unabsorbed costs	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Total production costs
(Increase) Decrease in work in progress	-	(.....)	-
Abnormal spoilage	(.....)	-	(.....)	(.....)	-	(.....)
Cost of products
(Increase) Decrease in finished goods ¹	-	-

- 7-1- During the reporting year, raw material amounting to ...IRR million (...IRR million in prior year) have been purchased. The main suppliers of raw material (more than 10 percent of the purchase amounts) are as follows:

Type of raw material	Country	Year ended 19/03/20x2		Year ended 19/03/20x1	
		IRR million	Percentage to total purchase	IRR million	Percentage to total purchase
.....	England	.....	...	.....	...
.....	Germany	.....	...	.....	...
.....	Iran	.....	...	.....	...

- 7-2- The comparison of quantity of productions with nominal capacity and normal (practical) capacity is:

	Measurement unit	Nominal capacity	Normal (practical) capacity	Actual production Year 20x2	Actual production Year 20x1
Product/Groups of product
Product/Groups of product

- 7-3- Unabsorbed costs due to cessation of production resulted from are calculated and deducted from cost of revenue.

¹ Inventories impairment losses are reported in note 11 (other expenses). Hence, inventory items are reported in gross in this table.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

8- Selling, administrative and general expenses

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Selling expenses		
Wages and salaries and benefits
Transport
Agents commission
Depreciation
.....
Others (items less than 10% of Selling expenses)
	-----	-----

Administrative and general expenses		
Wages and salaries and benefits
Board bonus ¹
Depreciation
.....
Others (items less than 10% of administrative and general expenses)
	-----	-----

	-----	-----

9- Impairment loss of receivables

In the reporting year, receivables amounting to ... IRR million are recognized as doubtful debt due to bankruptcy of a major customer and the impairment loss is recognized too.²

10- Other income

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Sale of spoilage
Gain on translation of foreign currency operating assets
Lease income
Net excess of inventories
	-----	-----

	-----	-----

11- Other expenses

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Unabsorbed cost
Abnormal production spoilage
Loss on translation of foreign currency operating liabilities
Inventory impairment loss
Net shortage of inventories
	-----	-----

	-----	-----

11-1- ... IRR millions of Abnormal loss is resulted from

¹ Board of directors' bonus is recognized as expenses based on the performance year rather than the approval year.

² Since the impairment loss of receivables is due to the bankruptcy of a significant customer and it is relevant to an understanding of the company's financial performance, according to paragraph 86 of IRAS 1, it is presented in the statement of profit or loss as line item. Otherwise, it is presented as "selling, administrative and general expenses".

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

12- Finance costs

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Received loans		
Banks and credit institutions
Related parties
Other parties
	<hr/>	<hr/>
Debt securities
Finance lease liabilities
Debt discounting securities
....
	<hr/>	<hr/>

13- Other gains (losses)

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Related parties		
Gain (loss) on sale of property, plant and equipment	(.....)
Gain (loss) on sale of intangible assets
Gain on sale of raw material
Gain on sale of investments
	<hr/>	<hr/>
Other items		
Gain (loss) on sale of property, plant and equipment	(.....)
Gain (loss) on sale of intangible assets
Gain on sale of raw material
Interest from other securities and bank deposits
Dividend
Impairment loss of non-current investments	(.....)	(.....)
Gain on sale of investments
Income (expense) arising from revaluation of marketable investment
Income (expense) arising from the valuation of current marketable securities under market value method
Gain (loss) on exchange differences from foreign currency non-operating assets and liabilities	(.....)
	<hr/>	<hr/>

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

14- Net profit (loss) from discontinued operations

The results of discontinued operations of ... food produce factory, mentioned in note 26-2, on profit or loss for the current year, is as follows. The effects of this decision on results of operations and cash flow of 20x1 have been restated.

	Year ended 19/03/20x2	(Restated) Year ended 19/03/20x1
	IRR million	IRR million
Revenue
Cost of revenue	(.....)	(.....)
Gross profit
Selling, administrative and general expenses	(.....)	(.....)
Other income
Other expenses	(.....)	(.....)
Operating profit
Other gains (losses)
Profit (loss) from discontinued operations before tax	(.....)
Tax effect	(.....)
Net profit (loss) from discontinued operations	(.....)

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Cash flows from discontinued operations		
Net Cash flows from operating activities
Net Cash flows from investing activities
Net Cash flows from financing activities
Net increase (decrease) in cash

15- Basic earnings (loss) per share

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Profit from continuing operations – operating	....	....
Tax effects	(....)	(....)

Profit from continuing operations – non operating	....	....
Tax effects	(....)	(....)

Profit (loss) from discontinued operations	....	(....)
Tax effects	(....)	....
	(....)
Net profit	....	....
Tax effects	(....)	(....)

	Year ended 19/03/20x2	Year ended 19/03/20x1
	Number	Number
Weighted average of ordinary shares	....	....
Weighted average of treasury shares	(....)	(....)
Weighted average of shares	.....	.....

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

16- Property, plant and equipment

	(Amounts in IRR million)											
	<u>Land</u>	<u>Building</u>	<u>Building (finance lease)</u>	<u>Plant</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Furniture and fixtures</u>	<u>Tools</u>	<u>Assets under construction</u>	<u>Assets' prepayments</u>	<u>Assets in warehouse</u>	<u>Total</u>
Cost or revalued amount												
Balance at 20/03/20x0	-
Additions	-
Disposals	(...)	(...)	-	(...)	(...)	(...)	(...)	-	-	-	(...)	(...)
Increase from revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Decrease from revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and changes	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
Effects of exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 19/03/20x1
Increase
Disposal	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
Increase resulting from revaluation	-	-	-	-	...	-	-	-	-	-	-	...
Decrease resulting from revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to non-current assets held for sale	(...)	(...)	-	(...)	(...)	(...)	(...)	-	-	-	-	(...)
Other transfers and changes	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
Effects of exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 19/03/20x2	(...)	(...)

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

(Amounts in IRR million)

	Land	Building	Building (finance lease)	Plant	Machinery and equipment	Vehicles	Furniture and fixtures	Tools	Assets under construction	Assets' prepayments	Assets in warehouse	Total
Accumulated depreciation and impairment	-
Balance at 20/03/20x0	-
Depreciation	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	-	-	(...)	(...)
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to non-current assets held for sale	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
Other transfers and changes	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 19/03/20x1	-
Depreciation	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
Impairment losses	-	-	-	-	...	-	-	-	-	-	-	...
Reversal of impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	-	-	-	(...)
Transfers to non-current assets held for sale	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
Other Transfers and changes	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 19/03/20x2	(...)	(...)
Carrying amount at 19/03/20x2	-
Carrying amount at 19/03/20x1	-

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

16-1- Property, plant and equipment are insured at IRR million against contingency risks arising from fire, flood and earthquake.

16-2- Machinery and equipment revalued in 20X2 and the difference amounted to ... IRR million was recognized as revaluation surplus in the statement of comprehensive income and classified as a separate component of equity. Comparing the carrying amount of machinery and equipment under revaluation method and carrying amount under cost method is as follows:

	19/03/20x2		19/03/20x1	
	Under cost method	Under revaluation method	Under cost method	Under revaluation method
	IRR million	IRR million	IRR million	IRR million
Machinery and equipment	-

16-3- The company has pledged...IRR millions of its land, building and machinery and equipment as collateral in bank.

16-4- Assets under construction

	Percentage of completion		Estimated operating date	Estimated expenditures for completion	Accumulated expenditures		The impact of projects on operation
	19/03/20x2	19/03/20x1		IRR million	19/03/20x2	19/03/20x1	
				IRR million	IRR million	IRR million	
Construction of product line for	Increase capacity
...

16-4-1 -Construction of product line for ... was partly funded through debt securities amounting to ... IRR million.

16-4-2- Assets under construction includes the following items:

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Borrowing costs
Interest on debt securities
Exchange differences of foreign currency financial facilities

16-4-3- The movements of finance expenses allocated to assets under constructions is as follow:

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Balance at the beginning of the year
Allocation to the asset during the year
Balance at the end of the year

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

16-5- Legal ownership of the following assets in use has not been transferred to the company or there are limitations for the company to exercise its legal rights:

	Book value		Explanations
	19/03/20x2	19/03/20x1	
	IRR million	IRR million	
Land....	Ownership not transfer
Building	Limitations on exercising legal rights
.....

17- Investment properties

	19/03/20x2	19/03/20x1
	IRR million	IRR million
A piece of land with area of ... square meters, located in
Prepayment for purchase of land
.....

17-1- The company has pledged ... IRR millions of investment properties as collateral for financial facilities.



ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

18- Intangible assets

	(Amounts in IRR million)					Total
	Licenses	Key money	Technical knowledge	Software	prepayments	
Cost or revalued amount						
Balance at 20/03/20x0
Additions	-	...	-
Disposals	-	-	(...)	(...)	-	(...)
Increase from revaluation	-	-	-	-	-	-
Decrease from revaluation	-	-	-	-	-	-
Transfer to non-current assets held for sale	-	-	-	-	-	-
Other transfers and changes	-	-	-	-	-	-
Effects of exchange differences	-	-	-	-	-	-
Balance at 19/03/ 20x1
Increase	-
Disposal	-	-	(...)	(...)	-	(...)
Increase from revaluation	-	-	-	-
Decrease from revaluation	-	-	-	-	-	-
Transfers to non-current assets held for sale	(...)	(...)	-	(...)	(...)	(...)
Other transfers and changes	-	-	-	-	-	-
Effects of exchange differences	-	-	-	-	-	-
Balance 19/03/ 20x2	(...)	(...)	...
Accumulated depreciation and accumulated impairment loss						
Balance at 20/03/20x0	-	-	-	...
Depreciation	-	-	-	...
Impairment loss	-	-	...
Reversal of impairment losses	-	-	-	-	-	-
Disposal	(-)	(...)	(...)	(...)	-	(...)
Transfers to non-current assets held for sale	-	-	-	-	-	-
Other transfers and changes	-	-	-	-	-	-
Balance at 19/03/20x1	-	-	...
Depreciation	-	-	-	...
Impairment loss	-	-	...
Reversal of impairment losses	-	-	-	-	-	-
Disposal	(-)	(...)	(...)	(...)	-	-
Transfers to non-current assets held for sale	(-)	-	-	-	-	-
Other transfers and changes	(-)	-	-	-	-	-
Balance at 19/03/20x2
Carrying amount at 19/03/20x2
Carrying amount at 19/03/20x1

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

19- Non-current investments

	<u>19/03/20x2</u>		<u>19/03/20x1</u>	
	<u>Cost</u>	<u>Accumulated Impairment</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
	IRR million	IRR million	IRR million	IRR million
Equity securities	(.....)
Other securities	(.....)
Long-term bank deposits	(.....)
	-

19-1- Equity securities investments

	(Amounts in IRR million)							
	<u>19/03/20x2</u>				<u>19/03/20x1</u>			
	<u>Number of shares</u>	<u>Investment percentage</u>	<u>Cost</u>	<u>Accumulated impairment</u>	<u>Carrying amount</u>	<u>Market value</u>	<u>Carrying amount</u>	<u>Market value</u>
Marketable investments (listed companies)								
Company	(.....)
Company	-
	(.....)
Other companies								
Company	(.....)	-	-
Company	(.....)	-	-
	(.....)

19-2- Investment in other securities

<u>Issuer</u>	<u>Security type</u>	<u>Interest rate</u>	<u>19/03/20x2</u>		<u>19/03/20x1</u>	
			%	IRR million	IRR million	IRR million
Company	Mushrekah	.....	.....	.....	.....	.....
Company	Murabahah	.....	.....	.....	.....	.....
Company	Sokuk	.....	.....	.....	.....	.....
		

19-3- Bank deposits amounting to ... IRR million are with an interest rate of percent and amounting to ... IRR million with an interest rate of ... percent.

19-4- ABC company has bought shares of company amounting to ... IRR million, and the ownership transfer is subject to settlement of debt.

19-5- The following investments are pledged as collateral against payables:

	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million
Investment in equity securities		
Company
Company
Long term investment deposit accounts

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

19-6- Movements in accumulated impairment account is as follows:

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Balance at the beginning of the year
Impairment loss
Impairment losses reversed	(....)	(....)
Balance at the end of the year

20- Trade and other receivables

20-1- Current receivables

	(Amounts in IRR million)				19/03/20x1	
	19/03/20x2		19/03/20x1		19/03/20x1	
	In IRR	In Foreign currency	Total	Impairment	Net	Net
Trade						
Notes receivable						
Related parties	-
Other customers	(.....)
	(.....)
Accounts receivable						
Related parties	-
Other customers	(.....)
	(.....)
	(.....)
Other receivables						
Notes receivable						
Related parties	-
Other customers	(.....)
	(.....)
Accounts receivable						
Related parties	-	-
Loans made to others	-	-
Staff (loan and advance)	-	-
Temporary deposits	-	-
Dividends receivable	-
Others	(.....)
	(.....)
	(.....)
	(.....)
	(.....)

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

20-2- Non-current receivables

	(Amounts in IRR million)					19/03/20x1
	19/03/20x2		Total	Impairment	Net	Net
	In IRR	In Foreign currency				
Trade						
Notes receivable						
Related parties	-
Other customers	(.....)
	(.....)
Accounts receivable						
Related parties	-
Other customers	(.....)
	(.....)
	(.....)
Other receivables						
Notes receivable						
Related parties	-	-
Other customers	(.....)	(.....)
	(.....)	(.....)
Accounts receivable						
Related parties	-
Loans made to others	-	(.....)
Staff (loan and advance)	-	(.....)
Others	(.....)
	(.....)
	(.....)

20-3- [The company's credit sale policies and its strategies for recognizing impairment loss on receivables is disclosed here]

The average credit period on sale of goods is ... days. Based on past experiences, receivables after ... days of due date are not recoverable and an allowance of 100% is recognized against all receivables over ... days. Impairment of receivables that are not received between ... days and ... days from the due date, is recognized based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

20-4- Age of receivables that are past due but not impaired

	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million
...-... days
...-... days
Total
Average age (days)

These trade receivables include amounts that are past due at the end of the reporting period but the company has not recognized an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

20-5- Movements in the impairment

	<u>Year ended</u> <u>19/03/20x2</u>	<u>Year ended</u> <u>19/03/20x1</u>
	IRR million	IRR million
Balance at beginning of the year
Impairment losses of receivables
Amounts written off during the year as uncollectible	(.....)	(.....)
Amounts recovered during the year	(.....)	(.....)
Reversal of impairment losses	(.....)	(.....)
Balance at the end of the year	<u>.....</u>	<u>.....</u>

20-6- In determining the recoverability of trade receivables, any changes in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period is considered.

20-7- Included in impairment of receivables are individually impaired trade receivables amounting to ...IRR (last year: ...IRR) which have been placed under liquidation. The impairment recognized represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The company does not hold any collateral over this class of receivables.

21- Other assets

	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million
Restricted cash in bank ¹
Deposits in Justice Fund
Others
	<u>.....</u>	<u>.....</u>

22- Prepayments

	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million
External prepayments		
Advances of raw material
Advances of components and spare parts
.....
Others
	<u>.....</u>	<u>.....</u>
Internal prepayments		
Purchase of raw materials
Insurance of assets
Income tax
Others
Tax payable (note 37)	(.....)	(.....)
	<u>.....</u>	<u>.....</u>
	<u>.....</u>	<u>.....</u>
	<u>.....</u>	<u>.....</u>

22-1- Prepayments include IRR million to related parties as disclosed in note 46-3.

22-2- The company bought parallel future bonds amounting to.... IRR (per bond) (without options) to provide ... tons of raw material. The nominal value of each bond is IRR and the maturity date is The amount is disclosed in prepayments.

¹ Restricted cash in bank is not expected to be available until one year after year end.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

23- Inventories

	19/03/20x2		19/03/20x1	
	Cost	Impairment	Net	Net
	IRR million	IRR million	IRR million	IRR million
Finished goods	-
Work in progress	-
Raw and packing materials	-
Spare parts	(.....)
Others	(.....)
	(.....)
Inventories in transit ¹	-
	(.....)

23-1- Raw and packing materials, finished goods and spare parts are insured against risks arising on ... up to ... IRR million.

23-2- ... IRR millions of raw material are held to produce by related parties and ... IRR million are held to produce by other parties.

23-3- ... IRR million of cost of raw material, finished goods andare pledged as collateral in bank.

24- Current investments

	19/03/20x2		19/03/20x1	
	Cost	Impairment	Net	Net
	IRR million	IRR million	IRR million	IRR million
Marketable				
Equity securities (listed companies)	-2	-2	.....	.....
Other securities	-2	-2	.....	.....
	-	-
Equity securities (other companies)	.....	(.....)	.....	.....
Securities	.....	(.....)	.....	.....
Short-term bank deposits	.....	-	.....	.....
	(.....)

25- Cash

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Banks balance ³ - in IRR
Banks balance ¹ - in foreign currency
Cash in hand – in IRR
Cash in hand - in foreign currency
Cash in transit

25-1- ... IRR millions of cash at banks have been blocked because of ... by It is expected the issue to be resolved within maximum next 3 months.

25-2- Cash in transit includes checks with dates up to date of financial position, lodged with banks for collection.

¹ Inventories in transit are part of purchase orders the ownership of relevant goods has been transferred to the company up to the date of the statement of financial position.

² As marketable securities are measured at market value, disclosure of their cost and impairment is not necessary. However, where the method of the lower of cost and net realizable value is used, relevant amounts must be inserted.

³ Bank balance includes short-term demand deposits.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

26- Non-current assets held for sale and liabilities related to non-current assets held for sale

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Land and building of warehouse	-
Assets related to food produce factory	-
Assets classified as held for sale	-
Liabilities of non-current assets classified as held for sale	-

26-1- The company has committed to dispose a warehouse located in ... within next 12 months. For the sale of warehouse at a reasonable price, effective marketing has been exercised.

26-2- The company is committed to dispose the food produce factory due to ... and it is predicted that disposal process will be completed until 20x3/.../... Therefore, the operation of the factory has been discontinued from ... (date) (note 14). The main groups of assets and liabilities of disposable factory at the end of the reporting period are as follows:

	19/03/20x2
	IRR million
Factory's assets	
Property, plant and equipment
Inventories
Trade receivables

Factory's payables	
Trade payables
.....

27- Share capital

Share capital at 20X2/03/19 is ... IRR million including ... fully paid shares of ... IRR each. The composition of shareholders is as follows:

	19/03/20x2		19/03/20x1	
	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership
.....
.....
Others (less than 5%)
	100	.....	100

27-1- Reconciliation of the share numbers for the beginning and the end of the year:

During the reporting year, the share capital was increased from ... IRR million to ... IRR million (... percent) through retained earnings and was registered at 20x2/.../....

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Balance at the beginning of the year
Share capital increase from retained earning

Balance at the end of the year

28- Share capital increase in-process

During the reporting year, the share capital was increased by ... IRR million according to the extra ordinary meeting of shareholders' resolution dated .../.../... through cash contribution and debt to shareholders and hence ... IRR million is reflected as "in- process capital increase". Registration of share capital is in process.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

29- Share premium

In accordance with the resolution of the extraordinary general meeting of shareholders in 20x1, increase in share capital of the company by ... percent through sale of shares, with depriving shareholders' priority right, at ... IRR each share was approved. The difference of sale proceeds and nominal amount of shares amounting to ... IRR million was charged to share premium account.

30- Statutory reserve

Under Articles 140 and 238 of the Commercial Code of Iran, and article number ... of the company's articles of association, the board of directors is bound to set aside annually one-twentieth of the net profit of the company as statutory reserve. The transfer to the reserve is obligatory until the balance of the reserve reaches 10 percent of the share capital. Statutory reserve is not transferable to share capital and nor is distributable to shareholders unless on liquidation of the company.

31- Other reserves

Other reserves include general reserve and development plan reserve. Based on the article ... of the company's articles of association, the annual general meeting of shareholders, annually appropriate ... percent of the net profit to general reserve. Moreover, in relation to performance of development plan of ..., in accordance with the resolution of general meeting dated .../.../..., development plan reserve was appropriated. Movements of the mentioned reserves are as follows

	(Amounts in IRR million)					
	General reserve		Development plan reserve		Total	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
Balance at the beginning of the year						
Decrease						
Increase						
Balance at the end of the year						

32- Exchange differences on translating of foreign operation

	(Amounts in IRR million)									
	Balance at the beginning of the year	Year ended 19/03/20x2 Changes during the year			Balance at the end of the year	Balance at the beginning of the year	Year ended 19/03/20x1 Changes during the year			Balance at the end of the year
		Increase	Decrease	Total			Increase	Decrease	Total	
Operation ... in Country	-	-	
Operation ... in Country	-	-	
	-	-	

33- Treasury shares

	Year ended 19/03/20x2		Year ended 19/03/20x1	
	Number	Amount	Number	Amount
	Share	IRR million	Share	IRR million
Balance at the beginning of the year	.....	.....	.....	.....
Purchase during the year	.....	.....	.....	.....
Sale during the year	(.....)	(.....)	(.....)	(.....)
Balance at the end of the year	.....	.....	.....	.....

According to article 28 of "the Law for Removing Obstacles to Competitive Production and Promoting the Country's Financial System", the entity may buy and hold 10 percent of its own shares, considering its floating shares, as treasury shares. Purchase and sale of treasury shares is exercised based on the regulations and instructions of "buying, holding and selling of treasury shares". Treasury share lack voting right in general meetings and priority

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

right in buying new shares and are not entitled to any asset on liquidation. Treasury shares are not entitled to dividend.

33-1- Reconciliation statement of plan of buying and selling of treasury shares with actual performance is:

.....

34- Trade and other payables

34-1- Current payables

	(Amounts in IRR million)			19/03/20x1
	19/03/20x2		Total	Total
	In IRR	In Foreign currency		
Trade				
Notes payable				
Related parties
Other suppliers of goods and services

Accounts payable				
Related parties
Other suppliers of goods and services

Other payables				
Notes payable				
Related parties
Others

Accounts payable				
Related parties
Withholding taxes
Insurance payables
Retention
Accruals
Others

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

34-2- Non-current payables

	(Amounts in IRR million)			19/03/20x1
	19/03/20x2		Total	Total
	In IRR	In Foreign currency		
Trade				
Notes payable				
Related parties
Other suppliers of goods and services

Accounts payable				
Related parties
Other suppliers of goods and services

Other payables				
Notes payable				
Related parties
Others

Accounts payable				
Related parties
.....
Others

34-2-1- Maturity of non-current notes payable at the date of financial position is as follow:

Year	Amount
	IRR million
20x4
20x5
20x6
20x7

34-3- The average credit period on trade purchases is.... days. The company has financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

35-Financial facilities

	(Amounts in IRR million)					
	19/03/20x2			19/03/20x1		
	Current	Non-current	Total	Current	Non-current	Total
Facilities received
Debt securities	-	-	-	-
Debt discount securities	-	-	-	-
Finance lease liabilities
...

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

35-1- Analysis of facilities received:

35-1-1- By lender:

	(Amounts in IRR million)					
	19/03/20x2			19/03/20x1		
	IRR	Foreign currency	Total	IRR	Foreign currency	Total
Banks
Related parties
Others
Future years' interests and commission	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Bank deposits	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Interest and commission and delayed payment charge
Non-current	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Current

35-1-2- By interest rate:

	19/03/20x2 IRR million	19/03/20x1 IRR million
More than 25%
20% to 25%
15% to 20%
10% to 15%
1% to 10%
Interest free

35-1-3- By maturity:

	19/03/20x2 IRR million
20x3
20x4
20x5
20x6
20x7 onward...

35-1-4- By collateral:

	19/03/20x2 IRR million
Land, building and machinery
Promissory note and check
Inventory
.....
Without collateral

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

- 35-2- Bank ... refinanced the company ... IRR million in 20X3 [after the end of financial year and before approval date of financial statement]
- 35-3- Facilities received from ... bank amounting to ... IRR million required a ... percent interest rate deposit amounting to ... IRR million. Considering that the interest rate of the deposit is less than conventional bank interest rate and limitations on company to use the deposit, the amount is deducted and facilities are reported in net amount. However, the effective rate of the facilities is ... percent.
- 35-4- Facilities received from ... bank amounting to ... IRR million is defaulted and the company has to pay the principal, interest and delayed payment charge which totally amounts to ... IRR million. As of the date of approval of the financial statements, IRR million has been replaced with new facilities and negotiations are going for the remaining facilities.
- 35-5- Facilities received from bank amounting to IRR million was settled by disposal of one of the company's apartment.
- 35-6- Company issued ... IRR million Debt securities according to stock exchange organization's permission number ... dated .../.../... to construct ... product line. The maturity date of securities is .../.../.... and its interest rate is ... percent.

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Par value
Discount	(.....)	(.....)
Gross
Discount Amortization
Carrying amount

- 35-6-1- On account interest is paid to holders each ... months. Final interest is calculated on maturity according to relevant rules of securities issuance. If the final interest is more than payments on account, the difference will be paid to the holders. According to management's estimate, final interest is less than payments on account until year end.
- 35-7- Finance lease liabilities is related to the acquisition of the central office building through lease agreement. Lease term is ... years and the lease payment is ... IRR million annually and lessee has the option to buy the asset at the end of the lease contract by paying ... IRR million.
- 35-8- For the purpose of financing, the company transferred some parts of its non-current receivables to a S.P.V. The S.P.V issued debt discounting securities and the financial resources was transferred to the company. None of financial assets that had been transferred to S.P.V omitted from the company's journal books due to company's goal to guarantee credit losses and no financial liability recognized as the result of debt discounting securities issuance. Principally, all risks and benefits of ownership of the receivables are held by the company.

The carrying amount, cash flow and the time remaining to maturity date of receivables are as follows:

Carrying amount of receivables	Cash flow of receivables	Receivables' maturity date
.....
.....
.....

Debt discounting securities of ... years/months with percentage interest rate and par value of each sheet IRR was issued on .../.../.... The amounts should be paid up to the end of the term of the bond are equal to IRR million and the payment terms associated with the securities is every month from the date of issue. The amount of IRR million was deposited into the account of the S.P.V the year.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

35-9-Cash and non-cash changes in liabilities from financing activities are as follows:

	(Amounts in IRR million)				Total
	Financial facilities	Debt securities	Debt discounting securities	Finance lease commitment	
Balance at 20/03/20x0
Cash received	-
Interest, commission and delayed payment charge
Cash payments for principal	(.....)	(.....)	(.....)	(.....)	(.....)
Cash payments for interest	(.....)	(.....)	(.....)	(.....)	(.....)
Effects of exchange differences	-	-	-	-
Other non-cash changes (disclose)	-	(.....)	-	-	(.....)
Balance at 19/03/20x1
Cash received
Interest, commission and delayed payment charge	-
Cash payments for principal
Cash payments for interest	(.....)	(.....)	(.....)	(.....)	(.....)
Effects of exchange differences	(.....)	(.....)	(.....)	(.....)	(.....)
Other non-cash changes (disclose)	-	-	-	-
Balance at 19/03/20x2

36- Provisions for employees' termination benefits

	Year ended 19/03/20x2 IRR million	Year ended 19/03/20x1 IRR million
Balance at the beginning of the year
Paid during the year	(.....)	(.....)
Provided during the year
Balance at the end of the year

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

37- Tax payable

Year ended	19/03/20x2							(Amounts in IRR million)	
	Profit (loss) declared	Taxable income declared	Tax					Tax payable	Bases for assessment
			Declared	Assessed	Final	Paid	Payable		
20x0/03/19	-	Arbitrary assessment
20x1/03/19	-	Examination of statutory books of accounts
20x2/03/19	-	-	-	Not examined
Prepaid tax (note 22)							
							(.....)	(.....)	
							

37-1- Income tax for all years before 20x0 are finalized and settled.

37-2- The entity objected to 20x0 tax assessment and the issue will be examined by Resolution of Tax Dispute Board.

37-3- The balance of tax payable at year end include ... IRR million note payables (... IRR million in 20x1) to Iranian National Tax Administration.

37-4- The company used tax exemptions on ... and ... during the current year.

37-5- Tax amounts of ... IRR million for previous years that is reported in the profit or loss statement relates to previous years' performance tax that was calculated properly. Therefore, the amount was not considered as correction of error.

37-6- Total of paid tax (including notes payable) and payable tax at the year end is less than sum of taxes assessed or finalized by ... IRR million which is appealed against by the company and therefore no provision is recognized in the accounts

payable and paid tax	Assessed/Finalized tax	Excess claimed by Iranian National Tax Administration
IRR million	IRR million	IRR million
.....
.....

37-6-1 -The main reason for difference between sum of tax paid and tax payable with finalized tax / assessed tax are as follows:..

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

38- Dividends payable

(Amounts in IRR million)

	19/03/20x2			19/03/20x1		
	Unpaid balances	Notes payable	Total	Unpaid balances	Notes payable	Total
Years before 20x0
20x0
20x1

38-1- Cash dividend per share is ...IRR in 20x1 and ... IRR in 20x0.

39- Provisions

(Amounts in IRR million)
Year ended 19/03/20x2

	19/03/20x2			Reversal of unused provision	Balance at the end of the year
	Balance at the beginning of the year	Increase	Usage		
Products guarantee	(.....)	(.....)
onerous contracts	(.....)	(.....)
...	(.....)	(.....)
	(.....)	(.....)

40- Advances

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Customers		
Sale agencies
Related parties
Other customers

Other advances

40-1- For the purpose of achieving the goal of selling products/group of products of [tones], the company issued ... [number] of parallel future bonds (without option). The nominal value of each bond is ... and the maturity date is The bonds are reported in advances.

41- Correction of errors, changes in accounting policies and reclassification

41-1- Correction of prior period errors:¹

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Correction of depreciation expense of machinery in year ended 20X1	(.....)	-
Correction of tax expense for the year ended 20X0	-	(.....)
	(.....)	(.....)

41-2- Changes in accounting policies

The method of measuring raw materials changed to First in First out from weighted average method, in year 20x2. Applying the new method increased profit of the year ended 19/03/20x2 by ... IRR million.

41-3- Reclassification:

In prior years current facilities amounted to IRR million was classified as non-current facilities by mistake but it is corrected in comparative items.

¹ It must be mentioned that, according to paragraph 41 of IRAS 34 “report of financial performance”, if the corrections of prior period errors are not material, they are recognized in profit or loss.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

41-4- For the purpose of presenting an appropriate image of financial position and operations results, all related comparative items have been corrected and restated in comparative financial statements. Therefore, some of comparative items don't conform with those reported in last year financial statements.

41-4-1- Amendments and restate of financial statements at 20x1/03/19

	(Amounts in IRR million)					
	According to financial statements 19/03/20x1	adjustments			Total of adjustments		(restated) 19/03/20x1
		Correction of errors	Changes in accounting policies	Reclassification		
Statement of financial position						
Property, plant and equipment	(.....)	-	-	(.....)
Inventories	-	-
Current financial facilities	-	-
Non- Current financial facilities	-	-	(.....)	(.....)
Retained earnings	(.....)	-	(.....)
Statement of profit or loss						
Cost of revenue	(.....)	-
Earnings per share	(.....)	-	(.....)
Net profit	(.....)	-	(.....)

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

41-4-2- Amendments and restatement of financial statements at 20x0/03/19

	(Amounts in IRR million)					
	According to financial statements 19/03/20x0	adjustments			Total of adjustments		(restated) 19/03/20x0
		Correction of errors	Changes in accounting policies	Reclassification		
Statement of financial position						
Inventories	-	-
Tax Payable	-	-
Current financial facilities	-	-
Non- Current financial facilities	-	-	(.....)	(.....)
Retained earnings	(.....)	-	(.....)
Statement of profit or loss						
Cost of revenue	(.....)	-
Income tax expense	-	-
Earnings per share	(.....)	-	(.....)
Net profit	(.....)	-	(.....)

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

42- Cash generated from operations

	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million
Net profit
Adjustments		
Income tax expenses
Finance costs
Gain (loss) on sale of property, plant and equipment	(.....)
Gain (loss) on sale of intangible assets	(.....)
Gain (loss) on sale of raw materials	(.....)
Gain (loss) on sale of investments	(.....)
Net increase in provisions for employee benefits
Depreciation of non- current assets
Impairment of non-current assets
Dividends	(.....)	(.....)
Income arising from other securities and investment bank deposits	(.....)	(.....)
Income arising from the interest of loans made to other parties	(.....)	(.....)
Income (expense) arising from the valuation of current marketable securities under market value method	(.....)
Gain (loss) on exchange differences from foreign currency non-operating assets and liabilities	(.....)
	<hr/>	<hr/>
Decrease (increase) of operating receivables ¹	(.....)
Decrease (increase) in inventories ¹	(.....)
Decrease (increase) in operating prepayments	(.....)
Increase (decrease) in operating payable ¹	(.....)
Increase (decrease) of provisions	(.....)
Increase (decrease) of operating advances	(.....)
Decrease (increase) of other assets
Cash generated from operations	<hr/> <hr/>	<hr/> <hr/>

43- Non-cash transactions

Significant non-cash transactions in the year are as follow:

	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million
Capital increase through conversion of debt to equity
Acquisition of 10 trucks in exchange for company's products
Settlement of facilities in exchange for disposal of an apartment
Acquisition of fixed assets by means of financial facilities	-
Finance lease building	-
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

¹ This amount is calculated considering corresponding amounts in note 26, relating to non-current assets held for sale and liabilities related to non-current assets held for sale.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

44- Capital and risks management

44-1- Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the company consists of net debt and equity. The company's overall strategy remained unchanged from 20x1 and the company is not subject to any externally imposed capital requirements.

The company's risk management committee reviews the capital structure of the company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The company has a target gearing ratio of 20% – 25% determined as the proportion of net debt to equity. The gearing ratio at 20x2/03/19 of ...% was below the target range, and has returned to a more typical level of after the end of the reporting period.

44-1-1- Leverage ratio

The gearing ratio at end of the reporting period was as follows:

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Total debt
Cash	(.....)	(.....)
Net debt
Equity
Net debt to equity ratio (%)

44-2- Financial risk management objectives

The company's risk management committee provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and other price risk), credit risk and liquidity risk. The company's risk management committee which monitors the risks and policies implemented to reduce risk vulnerability, reports quarterly to the Board of Directors. The company seeks to minimize the effects of these risks by Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

44-3- Market risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. To manage its exposure to foreign currency risk and interest rate risk the company uses the followings including:

Market risk exposures are measured using sensitivity analysis. Sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency rates over a year. The longer time frame of sensitivity analysis complements value at risk and helps the company to assess its market risk exposures. There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

44-3-1- Foreign currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within The carrying amounts of foreign monetary assets and monetary liabilities are presented in note 45.

44-3-1-1- Foreign currency sensitivity analysis.

The company is mainly exposed to the currency risk of The following table details the company's sensitivity to a 10% increase and decrease in IRR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only external loans. A positive number below indicates an increase in profit or equity where IRR strengthens 10% against the relevant currency. For a 10% weakening of IRR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

	Currency ... impact		Currency ... impact	
	20x2	20x1	20x2	20x1
	IRR million	IRR million	IRR million	IRR million
Profit or loss
Equity

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. The company's sensitivity to foreign exchange rates has decreased/increased during the current year mainly due to the

44-3-2- Other price risks

The company is exposed to equity price risks arising from equity investments. Certain of the company's equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Company also holds other equity investments for trading purposes.

44-3-2-1- Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5% higher/lower, profit for the year ended 20x2/03/19 would increase/decrease by ...IRR (20x1: increase/decrease by IRR) as a result of the changes in market value of Marketable investments. The Company's sensitivity to equity prices has not changed significantly from the prior year.

44-4- Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities with a high credit rating. The company uses publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The company also does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Apart from company, the largest customer of the company, the company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to company ... did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year.

Customer name	Total of the receivables	Matured receivables	Impairment
IRR million	IRR million	IRR million	IRR million
.....
.....
.....
Total

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

44-5- Liquidity risk management

The company has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate deposit, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

<u>20x2</u>	(Amounts in IRR million)					
	<u>On demand</u>	<u>Less than 3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>+5 years</u>	<u>Total</u>
Trade payables
Other payables
Financial facilities
Tax liabilities
Dividends payable
Contingent liabilities
Total

45-Foreign currency position

	<u>Note</u>	<u>US dollar</u>	<u>Euro</u>	<u>British pound</u>	<u>UAE Dirham</u>	<u>...</u>
Cash	25	.....	.....	.....	.....	.....
Trade and other receivables	20	.....	.....	.....	.....	.....
Non-current receivables	20	.....	.....	.....	.....	.....
Total foreign currency monetary assets		.....	.....	.....	.....	.....
Trade and other payables	34	(.....)	(.....)	(.....)	(.....)	(.....)
financial facilities	35	(.....)	(.....)	(.....)	(.....)	(.....)
Non-current payables	34	(.....)	(.....)	(.....)	(.....)	(.....)
Total foreign currency monetary liabilities		(.....)	(.....)	(.....)	(.....)	(.....)
Net Foreign currency monetary assets (liabilities)		.....	(.....)	.....	(.....)	.....
IRR equivalent of net foreign assets (IRR million)		.....	(.....)	.....	(.....)	.....
Net Foreign currency monetary assets (liabilities) on 20X1/03/19		.....	(.....)	.....	(.....)	.....
IRR equivalent of net foreign assets 20x1/03/19		.....	(.....)	.....	(.....)	.....
Foreign currency capital commitments	47	.....	.....	.....	.....	.....

45-1- Foreign currency from export and foreign currency used for import and other payables during the reporting year are:

	<u>Amount</u>		
	<u>Dollar</u>	<u>Euro</u>	<u>...</u>
Sales and rendering of services
Purchase of raw material
Other payables

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

46-Related party transactions

46-1- Transactions with related parties during the reporting year are:

(Amounts in IRR million)

Description	Name of the related party	Kind of relationship ¹	Subject to article 129 of Commercial Code of Iran	Purchase of goods and services	Sale of goods and services	Loans	Borrowings	Acquisition of ...	Sale of ...	Guarantees or collateral
Parent(s)	... Company	...	✓	...	...	...	...	...	...	...
	... Company	...	-	...	...	...	...	...	...	...
	Sub total			...	...	...	...	...	...	...
Fellow companies	... Company	...	✓	...	...	...	...	...	...	...
	... Company	...	-	...	...	...	...	...	...	...
	Sub total			...	...	...	...	...	...	...
Shareholders with significant influence	... Company	...	-	...	...	...	...	...	...	...
	... Company	...	-	...	...	...	...	...	...	...
	... Company	...	✓	...	...	...	...	...	...	...
Key management personnel of the company or its parent(s)	...	...	✓	...	...	...	...	...	...	...
	-
	-
Other related parties	... Company	...	-	...	...	...	...	...	...	...
	... Company	...	-	...	...	...	...	...	..	..
	... Company	...	✓	...	...	...	...	...	...	...
Sub total				...	...	...	...	...	...	...
Total				...	...	...	...	...	...	...

46-2-There is no material difference between terms of related parties' transactions with terms of arm's length transactions except:

46-2-1- Sale of the building to ... company without performing independent valuation and auction for ... IRR million.

46-2-2- ... IRR million loan was granted to ... company with preferred rate of ... percent and without any guarantee.

¹ It should be mentioned that all kinds of relationship should be disclosed. In other words, if the related party is subsidiary and a member of the board of directors who owns 5 percent of the shares, both relationships should be disclosed.

ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

46-3- Amounts due from/to related parties are as follows:

(Amounts in IRR million)

Description	Name of the related party	Trade receivables	Other receivables	Loans paid	Prepayments	Trade payable	Other payable	Financial liabilities	Dividend payable	Advance received	20x2		20x1	
											Net		Net	
											Due from	Due to	Due from	Due to
Parent(s)	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	Sub total	..	..	..	..	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
Fellow companies	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	Sub total	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
Shareholders with significant influence	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
Key management personnel of the company or its parent(s)	...	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
Other related parties	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
	... Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
Sub total		...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)
Total		...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	(...)	...	(...)

46-4- No expense has been recognized during the period in respect of bad or doubtful debts due from related parties during 20x2 and 20x1 except for:

46-4-1- The impairment of receivables for ... company at the 20x1/03/19 is ... IRR million which was adjusted for

47-Commitment, contingent liabilities and contingent assets

47-1- Capital commitments that arise from approved contracts at year end are as follows:

	<u>Amount</u>
	IRR million
Construction of building of product line of
Acquisition of machinery for product line of
Committed amount for investment in company
	<u>.....</u>
	<u>.....</u>

47-1-1- Commitments for acquisition of machinery includes ... IRR million foreign currency Commitments.

47-2-Contingent liabilities

	<u>Amount</u>
	IRR million
Contingent liabilities related to paragraph (235) of amendment of commercial code of Iran	
Guarantee the loan of company
Guarantee the debt of employees to bank
	<u>.....</u>
Other contingent liabilities	
Debt discounting
Lawsuits against company
	<u>.....</u>
	<u>.....</u>

47-2-1- Lawsuit against the company, about ..., has been filed with court on ... (date) by ... amounting to ... IRR million the consequences of which are unclear in present situation.

47-3- Contingent assets of the company are as follows:

47-3-1- Litigation against company ... has been filed on ... (date) amounting to ... IRR million for damages to the company's building, the collection of compensation is probable.

48- Events after the statement of financial position date

Non-adjusting events occurred between year-end and approval date of financial statements are as follows:

48-1- To provide financial sources for ..., extra ordinary meeting of shareholders was held on .../.../... and capital increase of ... IRR million was approved.

48-2- Company's warehouse was put on fire on .../.../... and caused damage amounting to ... IRR million to company. It should be mentioned that inventories were under insurance coverage.

49-Proposed dividends

49-1- Boards of director's proposal for dividends is ... IRR million (... IRR per share).

49-2- Board of directors has proposed dividends according to liquidity position and dividends payment ability including current liquidity position and liquidity position in payment period, sources of cash to pay dividends, dividend percentage for previous years, payments of dividends in terms of timely payment according to the board's schedule, payments of dividends in terms of legal time, the earning transfer to the capital through capital increase through conversion of debt to equity, current laws and regulations and the company future plan.

49-3- Financial sources needed for dividends payments will be provided from [operating activities, return on investments and ...].

Appendix
ABC Company (public joint stock)
Notes to the financial statements
year ended 19 March 20X2

The direct method of reporting cash flows from operating activities is illustrated In this appendix. The company can report cash flows from operating activities using the direct method which is encouraged in the IRAS 2 and provides more useful information in estimating future cash flows instead of the sample illustrated on page 8.

Note	Year ended 19/03/20x2	(restated) Year ended 19/03/20x1
	IRR million	IRR million
Cash flows from operating activities		
Receipts from customers
Payments to suppliers and employees	(.....)	(.....)
Cash generated from operations
Income tax paid	(.....)	(.....)
Net cash flows from/(used in) operating activities
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment
Payments for purchase of property, plant and equipment	(.....)	(.....)
Proceeds from sale of non-current assets classified as held for sale
Proceeds from sale of intangible assets
Payments for purchase of intangible assets	(.....)	(.....)
Proceeds from sale of non - current investments
Payments for purchase of non-current investments	(.....)	(.....)
Proceeds from sale of investment property
Payments for purchase of investment property	(.....)	(.....)
Proceeds from sale of current investments
Payments for purchase of current investments	(.....)	(.....)
Loans made to other parties	(.....)	(.....)
Proceeds from repayment of loans made to other parties
Proceeds from the interest of loans made to other parties
Dividends received
Interest received from other investments
Net cash flows from/(used in) investing activities
Net cash flows from/(used in) before financing activities
Cash flows from financing activities		
Proceeds from issue of ordinary shares
Proceeds from share premium
Proceeds from sales of treasury shares
Payments for repurchase of treasury shares	(.....)	(.....)
Proceeds from facilities received
Interest paid for facilities received	(.....)	(.....)
Repayments for facilities received	(.....)	(.....)
Proceeds from issuing debt securities
Repayments of debt securities	(.....)	(.....)
Interest paid for debt securities	(.....)	(.....)
Proceeds from issuing debt discounting securities
Repayments for debt discounting securities	(.....)	(.....)
Interest paid for debt discounting securities	(.....)	(.....)
Repayments of finance lease liabilities	(.....)	(.....)
Interest paid for finance lease liabilities	(.....)	(.....)
Dividends paid	(.....)	(.....)
Net cash flows from/(used in) financing activities
Net Increase (decrease) in cash	(.....)
Cash at the beginning of the year
Effect of exchange rate changes
Cash at the end of the year
Non-cash transactions		
