




سازمان بورس و اوراق بهادار
Securities & Exchange Organization

ترجمه انگلیسی صورتهای مالی نمونه تلفیقی گروه و شرکت
مبتنی بر استانداردهای حسابداری ایران

سازمان بورس و اوراق بهادار
آذر ۱۳۹۸



ABC Company (public joint stock)
Consolidated Financial Statements of The Group and
Financial Statements of ABC Company
For the year ended 19 March 20X2

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

Dear Shareholders

Consolidated financial statements of the Group and 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:

	Page
a. Consolidated financial statements of Group	
• Consolidated statement of profit or loss	2
• Consolidated statement of comprehensive income	3
• Consolidated statement of financial position	4
• Consolidated statement of changes in equity	5
• Consolidated statement of cash flows	6
b. Financial statements of ABC company (public joint stock)	
• Statement of profit or loss	7
• Statement of comprehensive income	8
• Statement of financial position	9
• Statement of changes in equity	10
• Statement of cash flows	11
c. Notes to the financial statements	12-68

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

Members of the board of directors	Name of representative of legal persons	Position	Signature
.....	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)
Consolidated statement of profit or loss
For the year ended 19 March 20X2

	Notes	(restated)	
		Year ended 19/03/20x2	Year ended 19/03/20x1
		IRR million	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 (loss) before share of profit (loss) of associates		.....	.....
Share of profit (loss) of associates	20	.....	.....
Profit before tax (loss) from continuing operations		.....	.....
Income tax expense			
Current year	40	(.....)	(.....)
Prior years	40	(.....)	(.....)
Net profit (loss) from continuing operations		.....	.....
Discontinued operations			
Net profit (loss) from discontinued operations	14	.....	(.....)
Net profit		.....	.....
Attributable to			
Owners of parent		.....	.....
Non-controlling interests		.....	.....
Basic earnings per share attributable to owners of parent			
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 on receivables is due to the bankruptcy of a major 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 consolidated statement of profit (loss).

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

	Notes	Year ended 19/03/20x2	(restated) Year ended 19/03/20x1
		IRR million	IRR million
Net profit¹		.....	.....
Other comprehensive income			
Gain on revaluation of property, plant and equipment	16	.....	-
Exchange differences on translation of foreign operations	34	(.....)	.....
Share of other comprehensive income of associates	20	.....	.....
Income tax relating to other comprehensive income		(.....)	(.....)
Other Comprehensive income, net of income tax		.....	.....
Total comprehensive income for the year		.....	.....
Attributable to			
Owners of parent		.....	.....
Non-controlling interests		.....	.....

The notes are an integral part of the financial statements.



¹ If items of the consolidated statement of comprehensive income are limited to net profit, it is not necessary to provide a statement of comprehensive income.

ABC Company (public joint stock)
Consolidated statement of financial position
At 19 March 20X2

	Notes	19/03/20x2 IRR million	(restated) 19/03/20x1 IRR million	(restated) 19/03/20x0 ¹ IRR million
Assets				
Non-current assets				
Property, plant and equipment	16	.....	.....	.....
Investment property	17	.....	.....	.....
Goodwill	18	.....	.....	.....
Intangible assets	19	.....	.....	.....
Investments in associates	20	.....	.....	.....
Other non-current investments	21	.....	.....	.....
Non-current receivables	22	.....	.....	.....
Other assets	23	.....	.....	.....
Total non-current assets		.....	.....	.....
Current assets				
Prepayments	24	.....	.....	.....
Inventories	25	.....	.....	.....
Trade and other receivables	22	.....	.....	.....
Current investments	26	.....	.....	.....
Cash	27	.....	.....	.....
Non-current assets held for sale	28	.....	.....	.....
Total current assets		.....	.....	.....
Total assets		.....	.....	.....
Equity and liabilities				
Equity				
Share capital	29	.....	.....	.....
Share capital increase in-process	30	.....	.....	.....
Share premium	31	.....	.....	.....
Treasury share premium		.....	.....	-
Legal reserve	32	.....	.....	.....
Other reserves	33	.....	.....	.....
Revaluation surplus		.....	.....	.....
Exchange differences on translating of foreign operations	34	.....	.....	.....
Retained earnings		.....	.....	.....
Treasury shares ²	35	(.....)	(.....)	(.....)
Equity attributable to owners of parent		.....	.....	.....
Non-controlling interests	36	.....	.....	.....
Total equity		.....	.....	.....
Liabilities				
Non-current liabilities				
Non-current payables	37	.....	.....	.....
Non-current financial facilities	38	.....	.....	.....
Provisions for employees' termination benefits	39	.....	.....	.....
Total non-current liabilities		.....	.....	.....
Current liabilities				
Trade and other payables	37	.....	.....	.....
Tax liabilities	40	.....	.....	.....
Dividends payable	41	.....	.....	.....
Financial facilities	38	.....	.....	.....
Provisions	42	.....	.....	.....
Advances	43	.....	.....	.....
Liabilities related to non-current assets held for sale	28	.....	.....	.....
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.

² According to paragraph 35 of IRAS 36, "parent company's shares acquired by subsidiaries" has been presented under the heading of "treasury shares".

ABC Company (public joint stock)
Consolidated statement of changes in equity
For the year ended 19 March 20X2

	Share capital	Share capital increase in-process	Share premium	Treasury share premium	Legal reserve	Other reserves	Revaluation surplus	Exchange differences on translation of foreign operations	Retained earnings	Treasury shares	Attributable to Owners of parent	Non-controlling interests	Total
	IRR million	IRR million	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 44)	-	-	-	-	-	-	-	-	(.....)	-	(.....)	(.....)	(.....)
Changes in accounting policies (note 44)	-	-	-	-	-	-	-	-	(.....)	-	(.....)	(.....)	(.....)
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 44)	-	-	-	-	-	-	-	-	(.....)	-	(.....)	(.....)	(.....)
Changes in accounting policies (note 44)	-	-	-	-	-	-	-	-	(.....)	-	(.....)	(.....)	(.....)
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 selling	-	-	-	(.....)	-	-	-	-	-	-	(.....)	-	(.....)
Transfer to retained earnings from other equity	-	-	-	-	-	(.....)	(.....)	-	-	-	-
Allocation to legal 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 selling	-	-	-	-	-	-	-	-	-
Transfer to retained earnings from other equity	-	-	-	(.....)	-	-	(.....)	(.....)	-	-	-	-
Allocation to legal 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)
Consolidated statement of cash flows
For the year ended 19 March 20X2

	Note	Year ended 19/03/20x2 IRR million	(restated) Year ended 19/03/20x1 IRR million
Cash flows from operating activities			
Cash generated from operations	45	.....	.....
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 subsidiaries	21-6	.....	.....
Payments for purchase of subsidiaries, net of cash acquired	21-5	(.....)	(.....)
Proceeds from sale of investments in associates		.....	.....
Payments for purchase of investments in associates		(.....)	(.....)
Proceeds from sale of other non - current investments		.....	.....
Payments for purchase of other 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 ¹		.....	.....
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 of parent		.....	.....
Proceeds from share premium		-	.....
Proceeds from issue of ordinary shares of subsidiaries- share of non-controlling interests		.....	.....
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 to owners of parent		.....	.....
Dividends paid to non-controlling interests		(.....)	(.....)
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	46	.....	.....

The notes are an integral part of the financial statements.

¹ This item includes profits from investments that are not part of the group's main and continues activities.

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	40	(.....)	(.....)
Prior years	40	(.....)	(.....)
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 on receivables is due to the bankruptcy of a major 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> <u>IRR million</u>	<u>(restated)</u> <u>Year ended</u> <u>19/03/20x1</u> <u>IRR million</u>
Net profit¹		.....	.....
Other comprehensive income			
Gain on revaluation of property, plant and equipment	16	.....	-
Exchange differences on translation of foreign operations	34	(.....)	.....
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.



¹ If items of statement of comprehensive income are limited to net profit, it is not necessary to provide a statement of comprehensive income.

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

	<u>Notes</u>	<u>19/03/20x2</u> IRR million	<u>(restated)</u> <u>19/03/20x1</u> IRR million	<u>(restated)</u> <u>19/03/20x0¹</u> IRR million
Assets				
Non-current assets				
Property, plant and equipment	16	.....	.....	.....
Investment property	17	.....	.....	.....
Intangible assets	19	.....	.....	.....
Non-current investments	21	.....	.....	.....
Non-current receivables	22	.....	.....	.....
Other assets	23	.....	.....	.....
Total non-current assets		.....	.....	.....
Current assets				
Prepayments	24	.....	.....	.....
Inventories	25	.....	.....	.....
Trade and other receivables	22	.....	.....	.....
Current investments	26	.....	.....	.....
Cash	27	.....	.....	.....
Non-current assets held for sale	28	.....	.....	.....
Total current assets		.....	.....	.....
Total assets		.....	.....	.....
Equity and liabilities				
Equity				
Share capital	29	.....	.....	.....
Share capital increase in-process	30	.....	.....	.....
Share premium	31	.....	.....	.....
Treasury share premium		.....	.....	-
Legal reserve	32	.....	.....	.....
Other reserves	33	.....	.....	.....
Revaluation surplus		.....	.....	.....
Exchange differences on translating of foreign operations	34	.....	.....	.....
Retained earnings		.....	.....	.....
Treasury shares	35	(.....)	(.....)	(.....)
Total equity		.....	.....	.....
Liabilities				
Non-current liabilities				
Non-current payables	37	.....	.....	.....
Non-current financial facilities	38	.....	.....	.....
Provisions for employees' termination benefits	39	.....	.....	.....
Total non-current liabilities		.....	.....	.....
Current liabilities				
Trade and other payables	37	.....	.....	.....
Tax liabilities	40	.....	.....	.....
Dividends payable	41	.....	.....	.....
Financial facilities	38	.....	.....	.....
Provisions	42	.....	.....	.....
Advances	43	.....	.....	.....
Liabilities related to non-current assets held for sale	28	.....	.....	.....
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 (public joint stock)
Statement of changes in equity
For the year ended 19 March 20X2

	Share capital	Share capital increase in-process	Share premium	Treasury share premium	Legal reserve	Other reserves	Revaluation surplus	Exchange differences on translation of foreign operations	Retained earnings	Treasury shares	Total
	IRR	IRR	IRR	IRR	IRR	IRR	IRR	IRR	IRR	IRR	IRR
	million	million	million	million	million	million	million	million	million	million	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 selling	-	-	-	(.....)	-	-	-	-	-	-	(.....)
Transfer to retained earnings from other equity	-	-	-	-	-	(.....)	(.....)	-	-
Allocation to legal 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 selling	-	-	-	-	-	-	-	-
Transfer to retained earnings from other equity	-	-	-	(.....)	-	-	(.....)	(.....)	-	-	-
Allocation to legal 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
For the 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	45	.....	.....
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 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	43	.....	.....

The notes are an integral part of the financial statements.

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

1- General information

1-1- History

The group includes ABC company (public joint stock) and its subsidiaries. ABC company (public joint stock) 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 from the end of the preceding reporting 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 The main activity of the subsidiaries during the reporting year was, and that discribed in note 21-7.

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:

	Group		Company	
	20x2	20x1	20x2	20x1
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 on the Group and the Company 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

Consolidated financial statements of the Group and financial statements of the ABC Company 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 26)
- B- Machinery and equipment under revaluation method (Note 16-5)

3-2- Basis of consolidation

3-2-1- The consolidation financial statements are the result of aggregating the financial statements of the Company and its subsidiaries (entities that are controlled by the Company) after eliminating intragroup transactions and balances of accounts and unrealized gains and losses arising from transactions between members of the Group.

3-2-2- The results of operations of the subsidiaries that are acquired during the year, are included in the consolidated statement of profit or loss from the date the Company gains control the subsidiaries. The results of operations of the subsidiaries that are disposed during the year, are included in the consolidated statement of profit or loss until the date when the Company ceases to control the subsidiaries.

3-2-3- Parent company's shares acquired by subsidiaries are recognized at cost and they are presented as a deducting item in equity, under the heading of "treasury shares".

3-2-4- The end of fiscal year of the ... Company is 21th of December. However, its financial statements, in the same way, are used in the consolidation. So, its financial statements adjusted for the effects of significant

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

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

transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements.

3-2-5- The uniform accounting policies for like transactions and events in similar circumstances are used in preparing consolidated financial statements.

3-3- Goodwill

Acquisitions of businesses are accounted for using the acquisition method. Any excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of net identified assets, at the date of acquisition, is recognized as goodwill and it depreciated based on straight-line method during 20 years.

3-4- Revenue

3-4-1- Revenue is measured at the fair value of the consideration received or receivable net of any estimated rebates and discounts and sales returns.

3-4-2- Revenue from the sale of goods is recognized when the goods are delivered to customer¹

3-4-3- Revenue from the rendering of services is recognized when they are rendered.

3-4-4- Revenue from the sale of property that at least 20% of total cash has been received, is recognized by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion of a contract is determined by the proportion that contraction costs incurred for work performed to date of the statement financial position to the estimated total contraction costs.

3-5- Segment Reporting

3-5-1- Group'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 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.²

3-5-2- Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

3-5-3- 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.

3-6- Translation of foreign currency

3-6-1- 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	.....
.....

3-6-2- 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.

¹ 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.

² 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
For the year ended 19 March 20X2

- 3-6-3- 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.
- 3-6-4- 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.

3-7- 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".

3-8- Property, plant and equipment

- 3-8-1- Property, plant and equipment, excluding notes 3-8-2 and 3-8-3, 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.
- 3-8-2- 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
- 3-8-3- 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.
- 3-8-4- 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, considering article (149) of amendments (22 July 2015) of Direct Taxation Act (1987). Depreciation rates and methods are:

Asset	Depreciation method	Depreciation rate
Building
Plant
Machinery and equipment
Motor vehicles
Furniture and fixtures
Tools
.....

- 3-8-4-1- 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 deprecation 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 time, 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.
- 3-8-4-2- Revalued assets are depreciated based on the revalued carrying amount and the remaining useful life of the asset.

3-9- Assets revaluation surplus

- 3-9-1- 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

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

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.

- 3-9-2- 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.
- 3-9-3- 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.

3-10- 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 Group and the Company.

3-11- Intangible assets

- 3-11-1- 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 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.
- 3-11-2- 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
.....

- 3-11-3- Key money is not amortized because of having an indefinite useful life.

3-12- Impairment loss of non-current assets

- 3-12-1- 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.
- 3-12-2- Impairment test is done annually for intangible assets with an indefinite useful life irrespective of whether there is any indication of impairment.
- 3-12-3- 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.
- 3-12-4- 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.
- 3-12-5- 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

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

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 revalued asset will be treated as increase in revaluation surplus.

3-13- Inventories

3-13-1- 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:

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

3-13-2- 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 44-2)

3-14- Non -current assets held for sale

3-14-1- 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 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.

3-14-2- Non-current assets or (disposal Groups) classified as held for sale are measured at the lower of their carrying amount and net realizable value.

3-15- 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.

3-15-1- Provision for products guarantee

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

3-15-2- 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.

3-15-3- 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.

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

3-16- Investments

Measurement	Group's consolidation	The Company
Non-current investments		
Investments in subsidiaries	Included consolidation	Cost less any accumulated impairment losses
Investments in associates	Equity method	Cost less any accumulated impairment losses
Other non-current investments	Cost less any accumulated impairment losses	Cost less any accumulated impairment losses
Current Investments		
Marketable investments	Market value	Market value
Other current investments	Lower of cost and net realizable value for each investments	Lower of cost and net realizable value for each investments
Income recognition		
Investments in subsidiaries	Included consolidation	When dividends are approved in the annual general meeting of the investee (until the date of approval of the financial statements)
Investments in associates	Equity method	When dividends are approved in the annual general meeting of the investee (until the date of approval of the financial statements)
Current and non-current investments in equity securities	When dividends are approved in the annual general meeting of the investee (until the date of the statement of financial position)	When dividends are approved in the annual general meeting of the investee (until the date of the statement of financial position)
Investment in other securities	When the interest is realized	When the interest is realized

3-16-1- Equity method for investments in associates

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interests in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identified assets and liabilities of the investee is recognized as goodwill, which is included in the carry amount of the investment and it depreciated based on straight-line method during 20 years.

3-17- 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.

3-18- Treasury shares

3-18-1- 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.

3-18-2- 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)".

3-18-3- 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 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.

3-18-4- 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.

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

4- Management judgments in applying accounting policies and estimates

4-1- Judgments 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.

4-1-2- Control over ... Company

... Company is a subsidiary of the Group. Although the Group only owns a 40% ownership interest in ... Company, but based on ... [the contractual arrangements between the Group and other investors/...], the Group has the power to appoint and remove the majority of the board of directors and it has the power to direct the financial and operational policies to gains interest of ... Company's activities.

4-2- Judgments relating to estimates

4-2-1- Provision for products guarantee

Board of directors estimates provision for guaranteed products according to sale values, the results of prior 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 valuers. Assumptions used to determine fair value are as follows:

[Information about data used and valuation techniques]



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

5- Revenue

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	IRR million	IRR million
Net sale
Revenue from rendering of services
Interest from investments	-	-
Construction contract revenue	-	-

5-1- Net sale

	Year ended 19/03/20x2		Year ended 19/03/20x1	
	Quantity	Amount IRR million	Quantity	Amount IRR million
Group				
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	
Company				
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	

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

5-2- Revenue from rendering of services

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

5-3- Interest from investments

	Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Dividends from subsidiaries
Dividends from associates

5-4- Revenue from construction property

	Group	
	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Project
Project
Others (items less than 10% of revenue from construction property)

5-5- Net sale, revenue from rendering of services and construction contract 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
Group				
Related parties
Other customers
	100	.....	100
Company				
Group companies
Other related parties
Other customers
	100	.....	100

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

5-6- Comparative table of revenue and related cost

	Year ended 19/03/20x2			Year ended
	Revenue	Cost of revenue	Gross profit	19/03/20x1
	IRR million	IRR million	IRR million	Gross profit to revenue %
Group				
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)	(.....)
	(.....)
Construction contract revenue				
Project	(.....)
Project	(.....)
Others (items less than 10% of revenue)	(.....)
	(.....)
	(.....)
Company				
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
For the year ended 19 March 20X2

6- Segment Reporting¹

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

(Amounts in IRR million)

	... Group of products/Product		... Group of products/Product		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		
Sales to inter-segments		
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 Group has two main business segments in Iran, including produce of group of products/product ... and group of products/product 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/Group of products
Product/Group of products

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
For the year ended 19 March 20X2

6-3- Assets of each segment includes all operating assets in the 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	Construction contract revenue	Total	Sale	Rendering of services	Construction property	Total
Group								
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 wastage	(.....)	-	(.....)	(.....)	(.....)	-	(.....)	(.....)
Cost of products
(Increase) Decrease in finished goods ¹	-	-

Company								
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 wastage	(.....)	-	-	(.....)	(.....)	-	-	(.....)
Cost of products	-	-
(Increase) Decrease in finished goods ¹	-	-	-	-
	-	-

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
For the year ended 19 March 20X2

7-1- During the reporting year, raw material amounting to ... IRR million (... IRR million in prior year) by the Group and ... IRR million (... IRR million in prior year) by the Company 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	Group				Company			
		Year ended 19/03/20x2		Year ended 19/03/20x1		Year ended 19/03/20x2		Year ended 19/03/20x1	
		IRR million	Percentage to total purchase	IRR million	Percentage to total purchase	IRR million	Percentage to total purchase	IRR million	Percentage to total purchase
.....	England	.....	...	.....	...	...	...	...	...
.....	Germany	.....	...	.....	...	...	...	...	...
.....	Iran	.....	...	.....	...	...	...	...	...

7-2- The comparison of quantity of the Group 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/Group of products
Product/Group of products

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

8- Selling, administrative and general expenses

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	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 debts due to bankruptcy of a major customer and the impairment loss is recognized too.²

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 major 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
For the year ended 19 March 20X2

10- Other income

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	IRR million	IRR million
Sale of wastage
Gain on translation of foreign currency operating assets and liabilities
Lease income
Net excess of inventories
.....

11- Other expenses

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	IRR million	IRR million
Goodwill depreciation
Unabsorbed cost
Abnormal production wastage
Loss on translation of foreign currency operating assets and liabilities
Inventory impairment loss
Net shortage of inventories
.....

11-1- ... IRR millions of Abnormal production wastage is resulted from

12- Finance costs

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	IRR million	IRR million
Received loans				
Banks and credit institutions
Group companies	-	-
Related parties
Other parties

Debt securities
Finance lease liabilities
Debt discounting securities	-	-
.....

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

13- Other gains (losses)

	<u>Group</u>		<u>Company</u>	
	<u>Year ended 19/03/20x2</u>	<u>Year ended 19/03/20x1</u>	<u>Year ended 19/03/20x2</u>	<u>Year ended 19/03/20x1</u>
	IRR million	IRR million	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 ¹
Gain on disposal of a subsidiary (note 21-6)

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
Dividends ¹
Impairment loss of non-current investments	(.....)	(.....)	(.....)	(.....)
Gain on disposal of a subsidiary (note 21-6)
Gain on sale of investments ¹
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	(.....)	(.....)

14- Net profit (loss) from discontinued operations

The results of discontinued operations of ... food producing factory, according to note 28-2, 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.

	(Restated)	
	Year ended 19/03/20x2	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	.....	.....

¹ This item includes profits from investments are not part of the Group's main and continuing activities.

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

15- Basic earnings (loss) per share

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	IRR million	IRR million
Profit from continuing operations – operating
Tax effects	(....)	(....)	(....)	(....)
Share of non-controlling interests from profit from continuing operations – operating	(....)	(....)	-	-
Profit from continuing operations – operating- attributable to owners of parent
Profit from continuing operations – non operating
Tax effects	(....)	(....)	(....)	(....)
Share of non-controlling interests from profit from continuing operations – non operating	(....)	(....)	-	-
Profit from continuing operations – non operating- attributable to owners of parent
Profit (loss) from discontinued operations	(....)	(....)
Tax effects	(....)	(....)
Share of non-controlling interests from profit (loss) from discontinued operations	(....)	-	-
Profit (loss) from discontinued operations- attributable to owners of parent	(....)	(....)
Net profit
Tax effects	(....)	(....)	(....)	(....)
Share of non-controlling interests from net profit	(....)	(....)	-	-
Net profit- attributable to owners of parent
	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	Number	Number	Number	Number
Weighted average of ordinary shares
Weighted average of treasury shares (including parent company's shares acquired by subsidiaries)	(....)	(....)	(....)	(....)
Weighted average of shares

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

16- Property, plant and equipment

16-1- Group

	(Amounts in IRR million)												
	Land	Building	Building (finance lease)	Plant	Machinery and equipment	Vehicles	Furniture and fixtures	Tools	Total	Assets under construction	Assets' prepayments	Assets in warehouse	Total
Cost or revalued amount													
Balance at 20/03/20x0	-
Additions	-
Disposals	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	-	-	(...)	(...)
Acquisition through business combinations
Disposal of a subsidiary	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
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
Increases
Disposals	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
Acquisition through business combinations
Disposal of a subsidiary	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
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	(...)	(...)
Accumulated depreciation and impairment													
Balance at 20/03/20x0	-	...	-	-	-	-	-	...
Depreciation	-	...	-	-	-	-	-	...
Accumulated impairment losses	-	-	-	-	-	...
Reversal of accumulated impairment losses	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	-	-	-	-	(...)
Disposals	-	(...)	-	(...)	(...)	(...)	(...)	(...)	-	-	-	-	(...)
Disposal of a subsidiary	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	-	-	-	-	(...)
Transfers to non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and changes	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	-	-	-	-	(...)
Balance at 19/03/20x1	-	-	-	-	...
Depreciation	-	...	-	-	-	-	-	...
Accumulated impairment losses	-	-	-	-	-	...
Reversal of accumulated impairment losses	-	(...)	-	(...)	(...)	(...)	(...)	(...)	-	-	-	-	(...)
Disposals	-	(...)	-	(...)	(...)	(...)	(...)	(...)	-	-	-	-	(...)
Disposal of a subsidiary	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	-	-	-	-	(...)
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
For the year ended 19 March 20X2

16-2- Company

	(Amounts in IRR million)												
	Land	Building	Building (finance lease)	Plant	Machinery and equipment	Vehicles	Furniture and fixtures	Tools	Total	Assets under construction	Assets' prepayments	Assets in warehouse	Total
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
Additions
Disposals	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
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	(...)	(...)
Accumulated depreciation and impairment													
Balance at 20/03/20x0	-	...	-	-	-	-	...
Depreciation	-	...	-	-	-	-	...
Accumulated impairment losses	-	-	-	-	...
Reversal of accumulated impairment losses	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	-	-	-	(...)
Disposals	-	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	-	-	-	(...)
Transfers to non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and changes	(...)	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	-	-	-	(...)
Balance at 19/03/20x1	-	-	-	...
Depreciation	-	...	-	-	-	-	...
Accumulated impairment losses	-	-	-	-	...
Reversal of accumulated impairment losses	-	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	-	-	-	(...)
Disposals	-	(...)	-	(...)	(...)	(...)	(...)	(...)	(...)	-	-	-	(...)
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
For the year ended 19 March 20X2

- 16-3- Property, plant and equipment of the Group and the Company are insured, at IRR million and IRR million against contingency risks arising from fire, flood and earthquake, respectively.
- 16-4- Machinery and equipment of the Group and the Company revalued in 20X2 and the difference amounted to, in order ... IRR million and IRR million were 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 IRR million	Under revaluation method IRR million	Under cost method IRR million	Under revaluation method IRR million
Group				
Machinery and equipment	-
	-
Company				
Machinery and equipment	-
	-

- 16-5- The Group and the Company has pledged, ... IRR millions and ... IRR millions of its land, building and machinery and equipment as collateral with bank, respectively.

- 16-6- Assets under construction:

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

- 16-6-1- Construction of product line for ... was partly funded through debt securities amounting to ... IRR million.
- 16-6-2- Assets under construction includes the following items:

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

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

16-6-3- The movements of finance expenses allocated to assets under constructions is as follow:

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	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

16-7- Legal ownership of the following assets in use has not been transferred to the Group/the Company or there are limitations for the Group/the Company to exercise its legal rights:

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

17- Investment properties

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

17-1- Amounts of IRR millions of investment properties of the Group and ... IRR millions of investment properties of the Company have been pledged as collateral for financial facilities.

18- Goodwill

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Cost at the beginning of the year
Acquisitions of goodwill during the year
Disposals of goodwill during the year	(.....)	(.....)
Others (describe)
Cost at the end of the year
Accumulated depreciation and accumulated impairment losses at the beginning of the year
Depreciation
Impairment losses
Disposals of goodwill during the year	(.....)	(.....)
Others (describe)
Accumulated depreciation and accumulated impairment losses at the end of the year
Carrying amount

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

19- Intangible assets

19-1- Group

	(Amounts in IRR million)					Total
	Licenses	Key money	Technical knowledge	Software	prepayments	
Cost or revalued amount						
Balance at 20/03/20x0
Additions	-	...	-
Disposals	-	-	(...)	(...)	-	(...)
Acquisition through business combinations
Disposal of a subsidiary	(...)	(...)	(...)	(...)	(...)	(...)
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
Additions	-
Disposals	-	-	(...)	(...)	-	(...)
Acquisition through business combinations
Disposal of a subsidiary	(...)	(...)	(...)	(...)	(...)	(...)
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	-	-	-	...
Accumulated impairment losses	-	-	...
Reversal of accumulated impairment losses	-	-	-	-	-	-
Disposals	-	(...)	(...)	(...)	-	(...)
Disposal of a subsidiary	-	-	(...)	(...)	-	(...)
Transfers to non-current assets held for sale	-	-	-	-	-	-
Other transfers and changes	-	-	-	-	-	-
Balance at 19/03/20x1	-	-	...
Depreciation	-	-	-	...
Accumulated impairment losses	-	-	...
Reversal of accumulated impairment losses	-	-	-	-	-	-
Disposals	-	(...)	(...)	(...)	-	-
Disposal of a subsidiary	-	-	(...)	(...)	-	(...)
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
For the year ended 19 March 20X2

19-2- Company

(Amounts in IRR million)

	Licenses	Key money	Technical knowledge	Software	prepayments	Total
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
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 19/03/ 20x2	(...)	(...)	...
Accumulated depreciation and accumulated impairment loss						
Balance at 20/03/20x0	-	-	-	...
Depreciation	-	-	-	...
Accumulated impairment losses	-	-	...
Reversal of accumulated impairment losses	-	-	-	-	-	-
Disposal	(-)	(...)	(...)	(...)	-	(...)
Transfers to non-current assets held for sale	-	-	-	-	-	-
Other transfers and changes	-	-	-	-	-	-
Balance at 19/03/20x1	-	-	...
Depreciation	-	-	-	...
Accumulated impairment losses	-	-	...
Reversal of accumulated impairment losses	-	-	-	-	-	-
Disposals	(-)	(...)	(...)	(...)	-	-
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
For the year ended 19 March 20X2

20- Investments in associates

	Listed companies	(Amounts in IRR million)							Carrying amount	Market value
		19/03/20x2					19/03/20x1			
		Number of shares	Investment percentage	Equity (method)	Accumulated impairment	Carrying amount	Market value	Carrying amount			Market value
..... Company	✓	(..)	
..... Company	✓	(..)	
				...	(..)	

20-1- The Group's share of net assets of associates:

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Balance at the beginning of the year
Acquisitions during the year
Disposals during the year	(.....)	-
Share of profit of associates
Share of other comprehensive income of associates
Dividends receivable/received	(.....)	(.....)
Balance at the end of the year

20-2- Balance of the Group's share of net assets of associates at the end of the year, including goodwill, is as follows:

	19/03/20x2	19/03/20x1
	IRR million	IRR million
Balance at the beginning of the year
Acquisitions during the year
Disposals during the year	(.....)	-
Depreciation
Balance at the end of the year

20-3- Features of Group's associates are as follows:

	Location	Investment percentage				Principal activity
		19/03/20x2		19/03/20x1		
		Group	Company	Group	Company	
..... Company	Iran	.....	.....	.....	.....	.....
..... Company	Germany	.....	.....	.....	.....	.....

20-4- Summarised financial information of Group's associates is as follows:

	(Amounts in IRR million)							
	19/03/20x2				19/03/20x1			
	Total assets	Total liabilities	Total revenue	Net profit (loss)	Total assets	Total liabilities	Total revenue	Net profit (loss)
..... Company
..... Company

20-5- Movements in accumulated impairment account is as follows:

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

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

21- Non-current investments

	19/03/20x2			19/03/20x1
	Cost	Accumulated impairment	Carrying amount	Carrying amount
	IRR million	IRR million	IRR million	IRR million
Group				
Equity securities (note 21-1)	(.....)
Other securities	(.....)
Long-term bank deposits	-
	(.....)
Company				
Subsidiaries	(.....)
Associates	(.....)
Other companies	(.....)
Equity securities (note 21-1)	(.....)
Other securities	(.....)
Long-term bank deposits	-
	(.....)

21-1- Equity securities investments

	Listed companies	Number of shares	Investment percentage	(Amounts in IRR million)				
				19/03/20x2			19/03/20x1	
				Cost	Accumulated impairment	Carrying amount	Market value	Carrying amount	Market value
Group								
..... Company	√	(.....)	-
..... Company	-	(.....)	-	-
				(.....)
Company								
Subsidiaries								
..... Company	√	(.....)
..... Company	√	(.....)
				(.....)
Associates								
..... Company	√	(.....)	-
..... Company	-	(.....)	-	-
				(.....)
Other companies								
..... Company	-	(.....)	-	-
..... Company	√	(.....)	-
				(.....)
				(.....)

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

21-2- 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
Group				
..... Company	Musharekah	.....	.....	.....
..... Company	Murabahah	.....	.....	.....
..... Company	Sokuk	.....	.....	.....
..... Company		.....	.....	.....
			<u>.....</u>	<u>.....</u>
Company				
..... Company	Musharekah	.....	.....	.....
..... Company	Murabahah	.....	.....	.....
..... Company	Sokuk	.....	.....	.....
..... Company		.....	.....	.....
			<u>.....</u>	<u>.....</u>

21-3- Bank deposits amounting to ... IRR million are with an interest rate of ... percent and amounting to ... IRR million with an interest rate of ... percent.

21-4- ABC Company has bought shares of Company amounting to ... IRR million, and the ownership transfer is subject to settlement of debt.

21-5- ABC Company acquired 70% of voting equity interests of Company at (date). Acquisition cost and the total consideration transferred are as follows:

	<u>IRR million</u>
Property, plant and equipment
Intangible assets
Non-current investments
Inventories
Trade and other receivables
Current investments
Cash
Trade and other payables	(.....)
Financial facilities	(.....)
Non-controlling interests	(.....)
Identifiable net assets
Goodwill (note 18)
Gross cash consideration paid
Cash acquired	(.....)
Net cash outflow	<u>.....</u>

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

21-6- ABC Company disposed 20% of voting equity interests of Company (the subsidiary) at ... (date) so it ceases its control of that company. The carrying amount of the assets (including goodwill) and liabilities of the subsidiary and the carrying amount of non-controlling interests in the subsidiary that are derecognized from consolidated statement of financial position, are as follows:

	<u>IRR million</u>
Property, plant and equipment
Intangible assets
Non-current investments
Inventories
Trade and other receivables
Current investments
Cash
Goodwill (note 18)
Trade and other payables	(.....)
Financial facilities	(.....)
Net assets	<u>.....</u>
Cash consideration received	(.....)
Gain (loss) on disposal (note 13)	<u>.....</u>
Non-controlling interests	<u>.....</u>

21-7- Features of Group's subsidiaries are as follows:

	Location	<u>Investment percentage</u>				Principal activity
		<u>19/03/20x2</u>		<u>19/03/20x1</u>		
		<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>	
..... Company	Iran	.....	.....	.....	.....	.....
..... Company	Iran	.....	.....	.....	.....	.....

21-8- The following investments are pledged as collateral against payables:

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

21-9- Movements in accumulated impairment account are as follows:

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

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

22- Trade and other receivables

22-1- Current receivables of the Group

	(Amounts in IRR million)					
	19/03/20x2				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	-
Realized earnings of securities	-
Others	(.....)
	(.....)
	(.....)
	(.....)
	(.....)

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

22-2- Current receivables of the Company

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

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

22-3- Non-current receivables of the Group

	(Amounts in IRR million)				
	19/03/20x2				19/03/20x1
	In IRR	In Foreign currency	Total	Impairment	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)	-	(.....)
Others	(.....)
	(.....)
	(.....)
	(.....)

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

22-4- Non-current receivables of the Company

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

22-5- [The Group and the Company's credit sale policies and their strategies for recognizing impairment loss on receivables are disclosed here]

22-6- Age of receivables that are past due but not impaired

	Group		Company	
	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1
	IRR million	IRR million	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 of customer and the amounts are still considered recoverable.

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

22-7- Movements in the impairment

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	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

22-8- 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.

22-9- Included in impairment of receivables are individually impaired trade receivables amounting to ...IRR (last year: ...IRR) of the Group and ...IRR (last year: ...IRR) of the Company 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.

23- Other assets

	Group		Company	
	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1
	IRR million	IRR million	IRR million	IRR million
Restricted cash in bank ¹
Deposits in Ministry of Justice Fund
Others

24- Prepayments

	Group		Company	
	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1
	IRR million	IRR million	IRR million	IRR million
External prepayments				
Raw material
Components and spare parts
.....
Others

Internal prepayments				
Raw materials
Insurance of assets
Income tax
Others
Tax payable (note 40)	(.....)	(.....)	(.....)	(.....)

24-1- The Group and the Company's prepayments include in order IRR million and IRR million to related parties as disclosed in notes 49-2 and 49-4.

24-2- 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 the end of the year.

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

25- Inventories

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

25-1- Raw and packing materials, finished goods and spare parts of the Group and the Company are insured against risks arising on ... in order up to ... IRR million and ... IRR million.

25-2- Some of inventories of the Group and the Company held by others are as follows:

(Amounts in IRR million)						
Inventory types	Place of storage	Reasons	Group		Company	
			19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1
Raw materials	Part makers	Build the parts	.....	.....	.....	.....
Finished goods	Public warehouse	Hold	.....	.....	.....	.....
.....
		

25-3- ... IRR millions of raw material, finished goods and of the Group and ... IRR millions of cost of raw material, finished goods and of the Company are pledged as collateral with bank.

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

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

25-4- Information of completed building units and building units in progress:

	(Amounts in IRR million)					
	Completed building units			Property in progress		
	... project	... project	... project	... project	... project	... project
Accumulated expenditure at the beginning of the year						
Land	.....	.....	.....	.....	.....	.....
Borrowing costs	.....	.....	.....	.....	.....	.....
Others	.....	.....	.....	.....	.....	.....

Expenditure of the year						
Land	.....	.....	.....	.....	.....	.....
Borrowing costs	.....	.....	.....	.....	.....	.....
Others	.....	.....	.....	.....	.....	.....

Expenditure identified as expense						
During the year	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Prior years	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Carrying amount at the end of the year	.....	.....	.....	.....	.....	.....
Carrying amount at 19/03/20x1	.....	.....	.....	.....	.....	.....
Number of units	.....	.....	.....	.....	.....	.....
Meters	.....	.....	.....	.....	.....	.....
Estimated completion time	-	-	-	.....	.....	.....
Estimated completion costs	-	-	-	.....	.....	.....
Stage of completion						
20x2	100	100	100	.....	.....	.....
20x1	.....	.....	.....	.....	.....	.....

26- Current investments

	19/03/20x2		19/03/20x1	
	Cost	Impairment	Net	Net
	IRR million	IRR million	IRR million	IRR million
Group				
Marketable				
Equity securities (listed companies)	_1	_1	.....	.....
Other securities	_1	_1	.....	.....
	-	-
Equity securities (non-listed companies)	.....	(.....)	.....	.....
Securities	.....	(.....)	.....	.....
Short-term bank deposits	.....	-	.....	.....
	(.....)
Company				
Marketable				
Equity securities (listed companies)	_1	_1	.....	.....
Other securities	_1	_1	.....	.....
	-	-
Equity securities (non-listed companies)	.....	(.....)	.....	.....
Securities	.....	(.....)	.....	.....
Short-term bank deposits	.....	-	.....	.....
	(.....)

¹ 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.

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

27- Cash

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

27-1- ... IRR millions of cash at the Group's banks have been blocked because of ... by It is expected the issue to be resolved within maximum next 3 months.

27-2- Cash in transit includes checks with dates up to the date of financial position, lodged with banks for collection.

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

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

28-1- 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.

28-2- The Company is committed to dispose the food products 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
.....

¹ Bank balance includes short-term demand deposits.

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

29- Share capital

Share capital of the Company 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

29-1- Reconciliation of the share numbers for the beginning and the end of the year:

During the reporting year, the share capital of the Company 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

30- 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.

31- 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' rights issue, 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.

32- Legal 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 legal reserve. The transfer to the reserve is obligatory until the balance of the reserve reaches 10 percent of the share capital. Legal reserve is not transferable to share capital and nor is distributable to shareholders unless on liquidation of the Company.

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

33- 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
Group						
Balance at the beginning of the year	-
Decrease	-	-	-	-	-	(.....)
Increase	-	-
Balance at the end of the year
Company						
Balance at the beginning of the year	-
Decrease	-	-	-	-	-	(.....)
Increase	-	-
Balance at the end of the year

34- Exchange differences on translating of foreign operation

(Amounts in IRR million)

	Balance at the beginning of the year	Year ended 19/03/20x2			Balance at the end of the year	Balance at the beginning of the year	Year ended 19/03/20x1			Balance at the end of the year
		Changes during the year					Changes during the year			
		Increase	Decrease	Total			Increase	Decrease	Total	
Group										
Operation ... in Country	-	-
Operation ... in Country	-	-
	-	-
Company										
Operation ... in Country	-	-
Operation ... in Country	-	-
	-	-

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

35- Treasury shares

	Year ended 19/03/20x2		Year ended 19/03/20x1	
	Number	Amount	Number	Amount
	Share	IRR million	Share	IRR million
Treasury shares of the Company
Parent company's shares acquired by subsidiaries
Treasury shares of the Group

35-1- Treasury shares of the Company

	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 rights issue in buying new shares and are not entitled to any assets on liquidation. Treasury shares are not entitled to dividend.

35-1-1- Reconciliation statement of plan of buying and selling of treasury shares with actual performance is:

.....

35-2- Parent company's shares acquired by subsidiaries

Subsidiary Investor	Percentage of ownership	Year ended 19/03/20x2		Year ended 19/03/20x1
		Number of shares	Cost	Cost
			IRR million	IRR million
..... Company
..... Company	-
		

36- Non-controlling interests

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Share capital
Share capital increase in-process
Legal reserve
Other reserves
Revaluation surplus
Exchange differences on translating of foreign operations
Retained earnings

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

37- Trade and other payables

37-1- Current payables of the Group

	(Amounts in IRR million)			
	19/03/20x2		19/03/20x1	
	In IRR	In Foreign currency	Total	Total
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
Other parties

Accounts payable				
Related parties
Withholding taxes
Insurance payables
Retention
Accruals
Others

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

37-2- Current payables of the Company

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

Accounts payable				
Group companies
Other related parties
Other suppliers of goods and services

Other payables				
Notes payable				
Group companies
Other related parties
Others parties

Accounts payable				
Group companies
Other related parties
Withholding taxes
Insurance payables
Retention
Accruals
Others

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

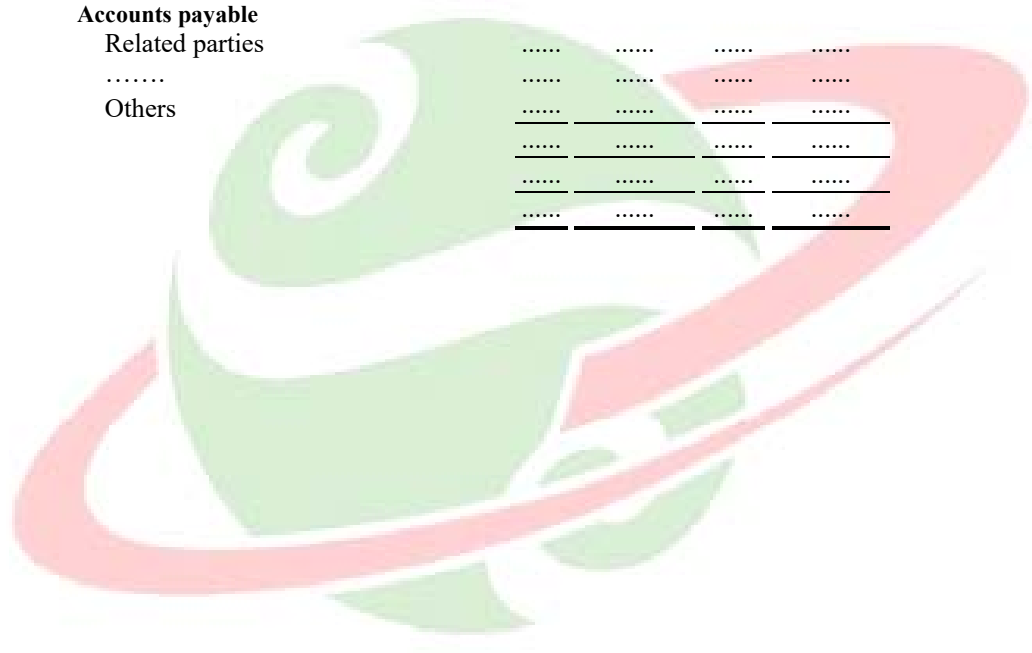
37-3- Non-current payables of the Group

	(Amounts in IRR million)			
	19/03/20x2		19/03/20x1	
	<u>In IRR</u>	<u>In Foreign currency</u>	<u>Total</u>	<u>Total</u>
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
Other parties

Accounts payable				
Related parties
.....
Others



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

37-4- Non-current payables of the Company

	(Amounts in IRR million)			
	19/03/20x2		19/03/20x1	
	<u>In IRR</u>	<u>In Foreign currency</u>	<u>Total</u>	<u>Total</u>
Trade				
Notes payable				
Group companies
Other related parties
Other suppliers of goods and services

Accounts payable				
Group companies
Other related parties
Other suppliers of goods and services

Other payables				
Notes payable				
Group companies
Other related parties
Others parties

Accounts payable				
Group companies
Other related parties
.....
Others

37-5- Maturity of non-current notes payable at the date of financial position is as follow:

<u>Year</u>	<u>Group</u>	<u>Company</u>
	IRR million	IRR million
20x4
20x5
20x6
20x7

37-6- The average credit period on trade purchases is.... days. The Group has financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

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

38- Financial facilities

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

Company						
Facilities received
Debt securities
Debt discount securities	-	-
Finance lease liabilities
.....

38-1- Analysis of facilities received:

38-1-1- By lender:

	(Amounts in IRR million)							
	Group				Company			
	19/03/20x2		19/03/20x1		19/03/20x2		19/03/20x1	
	In IRR	In foreign currency	Total	Total	In IRR	In foreign currency	Total	Total
Banks
Group Companies	-	-	-	-
Other related parties
Others parties

Future years' interests and commission	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Bank deposits	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Interest and commission and delayed payment penalties

Non-current	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Current

38-1-2- By commission and interest rate:

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

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

38-1-3- By maturity dates:

	<u>Group</u>	<u>Company</u>
	<u>19/03/20x2</u>	<u>19/03/20x2</u>
	IRR million	IRR million
20x3
20x4
20x5
20x6
20x7 & onward...
	<u>.....</u>	<u>.....</u>

38-1-4- By collateral type:

	<u>Group</u>	<u>Company</u>
	<u>19/03/20x2</u>	<u>19/03/20x2</u>
	IRR million	IRR million
Land, building and machinery
Promissory note and check
Inventory
.....
	<u>.....</u>	<u>.....</u>
Without collateral
	<u>.....</u>	<u>.....</u>

38-2- Bank ... refinanced the Company ... IRR million in 20X3 [after the end of financial year and before approval date of financial statements]

38-3- 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.

38-4- Facilities received from ... bank amounting to ... IRR million is defaulted and the Company has to pay the principal, interest and delayed payment penalty 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 on for the remaining facilities.

38-5- Facilities received from bank amounting to IRR million was settled by disposal of one of the Company's apartment.

38-6- The Company issued ... IRR million Debt securities according to stock exchange organization's permission number ... dated .../.../... to construct ... production line. The maturity date of securities is .../.../.... and its interest rate is ... percent. The position of these at date of statement of financial position is:

	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million
Par value
Discount	<u>(.....)</u>	<u>(.....)</u>
Gross
Discount amortization	<u>.....</u>	<u>.....</u>
Carrying amount	<u>.....</u>	<u>.....</u>

38-6-1- 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.

38-7- Finance lease liabilities is related to the acquisition of the central office building of Company (the subsidiary) 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.

38-8- 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.

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

None of financial assets that had been transferred to S.P.V were 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 rewards 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:

<u>Carrying amount of receivables</u>	<u>Cash flow of receivables</u>	<u>Receivables’ maturity date</u>
.....
.....
.....

Debt discounting securities ... year/months with percentage interest rate and par value of each sheet IRR is 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 during the year.



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

38-9- 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	
Group					
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	-	-	-	-
Changes from acquisition or disposal of subsidiaries	(.....)	(.....)
Other non-cash changes (describe)	-	(.....)	-	-	(..)
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	(.....)	(.....)	(.....)	(.....)	(..)
Changes from acquisition or disposal of subsidiaries	(.....)	(.....)
Other non-cash changes (describe)	-	-	-	-
Balance at 19/03/20x2
Company					
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 (describe)	-	(.....)	-	-	(..)
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 (describe)	-	-	-	-
Balance at 19/03/20x2

39- Provisions for employees' termination benefits

	Group		Company	
	Year ended 19/03/20x2	Year ended 19/03/20x1	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million	IRR million	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
For the year ended 19 March 20X2

40- Tax payable

	(Amounts in IRR million)					
	19/03/20x2			19/03/20x1		
	Provision	Notes payable	Total	Provision	Notes payable	Total
Group
Company

40-1- Movements in the tax payable of the Group are as follows:

	Year ended 19/03/20x2	Year ended 19/03/20x1
	IRR million	IRR million
Balance at the beginning of the year
Income tax of the year
Adjusted income tax of the prior years
Paid during the year	(.....)	(.....)

Prepaid tax (note 24)	(.....)	(.....)

40-1-1- Income tax of subsidiaries for all years before 20x0 are finalized and settled.

40-1-2- The Group appealed against to 20x0 tax assessment and the issue will be examined by Resolution of Tax Dispute Board.

40-1-3- The Group used tax exemptions on ... and ... during the current year.

40-1-4- Tax amounts of ... IRR million for previous years that is reported in the consolidated profit or loss statement relates to previous years' income tax that was calculated properly. Therefore, the amount was not considered as correction of error.

40-2- Summarised Company's tax payable is as follows:

	(Amounts in IRR million)								Bases for assessment
	19/03/20x2				19/03/20x1				
	Profit (loss) declared	Taxable income declared	Tax		Tax		Tax payable	Tax payable	
Year ended	declared	declared	Declared	Assessed	Final	Paid	Payable	payable	
20x0/03/19	-	Arbitrary assessment
20x1/03/19	-	Examination of statutory books of accounts
20x2/03/19	-	-	-	Not examined
							
Prepaid tax (note 24)							(.....)	(.....)	
							

40-2-1- Income tax for all years before 20x0 are finalized and settled.

40-2-2- The entity appealed against to 20x0 tax assessment and the issue will be examined by Resolution of Tax Dispute Board.

40-2-3- The Company used tax exemptions on ... and ... during the current year.

40-2-4- Tax amounts of ... IRR million for prior years that is reported in the profit or loss statement relates to prior years' income tax that was calculated properly. Therefore, the amount was not considered as correction of error.

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

40-3- Total of paid tax (including notes payable) and payable tax at the year the 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.

	<u>payable and paid tax</u>	<u>Assessed/ Finalized tax</u>	<u>Excess claimed by Iranian National Tax Administration</u>
	IRR million	IRR million	IRR million
Company
Subsidiaries
Group

40-3-1 -The main reason for difference between sum of tax paid and tax payable with finalized tax/assessed tax are as follows:

.....

41- Dividends payable

	(Amounts in IRR million)					
	19/03/20x2			19/03/20x1		
	Unpaid balances	Notes payable	Total	Unpaid balances	Notes payable	Total
Company						
Years before 20x0
20x0
20x1
Group						
Subsidiaries- attributable to non-controlling interests

41-1- Cash dividend per share is ... IRR in 20x1 and ... IRR in 20x0.

42- Provisions

	(Amounts in IRR million)							
	Products guarantee		Onerous contracts			Total	
	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1
Group								
Balance at the beginning of the year
Increase
Usage	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Reversal of unused provision	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Balance at the end of the year
Company								
Balance at the beginning of the year
Increase
Usage	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Reversal of unused provision	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)	(.....)
Balance at the end of the year

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

43- Advances

	<u>Group</u>		<u>Company</u>	
	<u>19/03/20x2</u>	<u>19/03/20x1</u>	<u>19/03/20x2</u>	<u>19/03/20x1</u>
	IRR million	IRR million	IRR million	IRR million
Customers				
Group companies	-	-
Other related parties
Sale agencies
Other customers

Other advances

43-1- The amount of ... IRR of Group's advances (last year: ... IRR) is related to pre-sale of buliding units.

43-2- 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.

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

44-1- Correction of prior period errors:¹

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

44-2- Changes in accounting policies

The method of measuring raw materials of the Group's companies 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.

44-3- 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
For the year ended 19 March 20X2

44-4- 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 to those reported in last year financial statements.

44-4-1- Amendments and restatement of financial statements of the Group at 20x1/03/19 are:

	(Amounts in IRR million)					(restated) 19/03/20x1
	According to financial statements 19/03/20x1	adjustments			Total of adjustments	
	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	(.....)	-	(.....)		

44-4-2- Amendments and restatement of financial statements of the Company at 20x1/03/19 are:

	(Amounts in IRR million)					(restated) 19/03/20x1
	According to financial statements 19/03/20x1	adjustments			Total of adjustments	
	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	(.....)	-	(.....)		

44-4-3- Amendments and restatement of financial statements of the Group at 20x0/03/19

	(Amounts in IRR million)					(restated) 19/03/20x0
	According to financial statements 19/03/20x0	adjustments			Total of adjustments	
	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
For the year ended 19 March 20X2

44-4-4- Amendments and restatement of financial statements of the Company at 20x0/03/19

	(Amounts in IRR million)					(restated) 19/03/20x0
	According to financial statements 19/03/20x0	Correction of errors	Changes in accounting policies		Total of adjustments	
			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	(.....)	-	(.....)

45- Cash generated from operations

	(Amounts in IRR million)			
	Group		Company	
	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1
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	(.....)	(.....)
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

¹ This amount is calculated considering corresponding amounts in note 28, 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
For the year ended 19 March 20X2

46- Non-cash transactions

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

	(Amounts in IRR million)			
	Group		Company	
	19/03/20x2	19/03/20x1	19/03/20x2	19/03/20x1
	IRR million	IRR million	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	-	-	-

47- Capital and risks management of the Group

47-1- 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 leverage 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.

47-1-1- Leverage ratio

The leverage 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 (%)

47-2- 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.

47-3- 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 following including:

Market risk exposures are measured using sensitivity analysis. Sensitivity analysis evaluates the impact of a reasonably possible changes in interest or foreign currency rates over a year. The longer time frame of sensitivity

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

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.

47-3-1- 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.

47-3-1-1- 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:

	<u>Currency ... impact</u>		<u>Currency ... impact</u>	
	<u>20x2</u>	<u>20x1</u>	<u>20x2</u>	<u>20x1</u>
	<u>IRR million</u>	<u>IRR million</u>	<u>IRR million</u>	<u>IRR million</u>
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

47-3-2- 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.

47-3-2-1- 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.

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

47-4- 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.

<u>Customer name</u>	<u>Total of the receivables</u>	<u>Matured receivables</u>	<u>Impairment</u>
IRR million	IRR million	IRR million	IRR million
.....
.....
.....
Total

47-5- 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>	<u>(Amounts in IRR million)</u>					<u>Total</u>
	<u>On demand</u>	<u>Less than 3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>+5 years</u>	
Trade payables
Other payables
Financial facilities
Tax liabilities
Dividends payable
Contingent liabilities
Total

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

48- Foreign currency position

	Note	US dollar	Euro	British pound	UAE Dirham	...
Group						
Cash	27	.....	.....	.....	.....	.....
Trade and other receivables	22	.....	.....	.....	.....	.....
Non-current receivables	22	.....	.....	.....	.....	.....
Total foreign currency monetary assets		.....	.....	.....	.....	.....
Trade and other payables	37	(.....)	(.....)	(.....)	(.....)	(.....)
financial facilities	38	(.....)	(.....)	(.....)	(.....)	(.....)
Non-current payables	37	(.....)	(.....)	(.....)	(.....)	(.....)
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	50	.....	.....	.....	.....	.....
Company						
Cash	27	.....	.....	.....	.....	.....
Trade and other receivables	22	.....	.....	.....	.....	.....
Non-current receivables	22	.....	.....	.....	.....	.....
Total foreign currency monetary assets		.....	.....	.....	.....	.....
Trade and other payables	37	(.....)	(.....)	(.....)	(.....)	(.....)
financial facilities	38	(.....)	(.....)	(.....)	(.....)	(.....)
Non-current payables	37	(.....)	(.....)	(.....)	(.....)	(.....)
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	50	.....	.....	.....	.....	.....

48-1- Foreign currency from export and foreign currency used for import and other payables during the reporting year are:

	Group		Company	
	Dollar	Euro	Dollar	Euro
Sales and rendering of services
Purchase of raw material
Other payables

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

49- Related party transactions

49-1- Transactions of the Group with related parties during the reporting year are:

(Amounts in IRR million)

Description	Name of the related party	Kind of relationship ¹	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			...	...	...	...	...	...	...	...
Associates	...Company	...	...	...	...	...	...	...	...	...
	...Company	...	...	...	...	...	...	...	...	...
Sub total			...	...	...	...	...	...	...	...
Fellow companies	...Company	...	...	...	...	...	...	...	...	...
	...Company	...	...	...	...	...	...	...	...	...
Sub total			...	...	...	...	...	...	...	...
Shareholders with significant influence	...Company	...	...	...	...	...	...	...	...	...
	...Company	...	...	...	...	...	...	...	...	...
Sub total			...	...	...	...	...	...	...	...
Key management personnel of the Company or its parent(s)	...	...	...	...	...	...	...	...	...	...

Other related parties	...Company	...	...	...	...	...	...	...	...	...
	...Company	...	...	...	...	...	...	...	...	...
Sub total			...	...	...	...	...	...	...	...
Total			...	...	...	...	...	...	...	...

49-2- Amounts due from/to related parties of the Group 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	
											Due from	Due to	Due from	Due to
Parent(s)	...Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
	...Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
Sub total		...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
Associates	...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	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
Sub total		...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
Total		...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...

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
For the year ended 19 March 20X2

49-3- Transactions of the Company 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	....
Group companies	Subsidiaries	...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	-	...	...	...	...	...	...	...	...
	Sub total					...	...	...	...	...	...	...
Other related parties	Parent(s)	...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	-	...	...	...	...	...	...	...	...
	Sub total					...	...	...	...	...	...	...
	Associates	...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	-	...	...	...	...	...	...	...	...
	Sub total					...	...	...	...	...	...	...
	Fellow companies	...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	-	...	...	...	...	...	...	...	...
	Sub total					...	...	...	...	...	...	...
	Shareholders with significant influence	...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	-	...	...	...	...	...	...	...	...
		...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	✓	...	...	...	...	...	...	...	...
		...Company	...	✓	...	...	...	...	...	...	...	...
Key management personnel of the Company or its parent(s)	...	...	-	...	...	...	...	...	...	...	...
	✓	
	✓	
Other related parties	...Company	...	✓	...	...	...	...	...	...	...	...
	...Company	...	✓	...	...	...	...	...	...	...	...
	...Company	...	-	...	...	...	...	...	...	...	...
Sub total					...	...	...	...	...	...	...
Total					...	...	...	...	...	...	...

49-4- Amounts due from/to related parties of the Company 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	
												Due from	Due to	Due from	Due to
Group companies	Subsidiaries	...Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
		...Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
	Sub total			...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
Other related parties	Parent(s)	...Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
		...Company	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
	Sub total			...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
	Associates	...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	...	...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
Sub total			...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...
Total			...	...	...	(...)	(...)	(...)	(...)	(...)	...	...	...	...

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.

- 49-5- There is no material difference between terms of related parties' transactions with terms of arm's length transactions except:
- 49-5-1- Sale of the building to ... company without performing independent valuation and auction at ... IRR million.
- 49-5-2- ... IRR million loan was granted to ... company with preferred rate of ... percent and without any guarantee.
- 49-6- 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:
- 49-6-1- The impairment of receivables from ... company at the 20x1/03/19 is ... IRR million which was adjusted for

50- Commitment, contingent liabilities and contingent assets

50-1- Capital commitments have been arisen from approved contracts at year end are as follows:
(Amounts in IRR million)

	Group		Company	
	20x2	20x1	20x2	20x1
Construction of building for production line of
Acquisition of machinery for production line of
Committed amount for investment in Company

50-1-1- Commitments for acquisition of machinery includes ... IRR million foreign currency Commitments.

50-2-Contingent liabilities

(Amounts in IRR million)

	Group		Company	
	20x2	20x1	20x2	20x1
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
Other contingent liabilities				
Debt discounting
Lawsuits against Company

50-2-1- 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.

50-3- Contingent assets of the Company are as follows:

50-3-1- 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.

51- Events after the statement of financial position date

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

51-1- To provide financial sources for ..., extra ordinary meeting of shareholders was held on .../.../... and capital increase of ... IRR million was approved.

51-2- 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.

52- Proposed dividends

52-1- Boards of director's proposal for dividends is ... IRR million (... IRR per share).

52-2- 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 prior 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.

52-3- Financial sources needed for dividends payments will be provided from [operating activities, return on investments and ...].

Appendix
ABC Company (public joint stock)
Consolidated statement of cash flows
Year ended 19 March 20X2

The direct method of reporting cash flows from operating activities for consolidated statement of cash flows 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 6.

Note	(restated)	
	Year ended 19/03/20x2	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 subsidiaries
Payments for purchase of subsidiaries, net of cash acquired	(.....)	(.....)
Proceeds from sale of investments in associates
Payments for purchase of investments in associates	(.....)	(.....)
Proceeds from sale of other non-current investments
Payments for purchase of other 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 ¹
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 of parent
Proceeds from share premium	-
Proceeds from issue of ordinary shares of subsidiaries- share of non-controlling interests
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 to owners of parent	(.....)	(.....)
Dividends paid to non-controlling interests	(.....)	(.....)
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

¹ This item includes profits from investments that those investments are not part of the group's main and continues activities.

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

The direct method of reporting cash flows from operating activities for statement of cash flows 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 11.

Note	(restated)	
	Year ended 19/03/20x2	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