

## CHAPTER 3

# Financial statements

### 3.4 PRESENTATION OF FINANCIAL STATEMENTS

#### 3.4.1 Accounting requirements

Notes to the financial statements

**3.4.291** A local authority shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:

- a) their nature, and
- b) their carrying amount as at the end of the reporting period.

Local authorities shall also refer to paragraphs 126 – 127 and 129 of IAS 1.

**3.4.292** These disclosures are not required for assets and liabilities measured at fair value based on a quoted price in an active market for an identical asset or liability. Such fair values might change materially within the next financial year, but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting period.

#### 3.4.6 Changes since the ~~2019~~2020/~~201~~20 Code

**3.4.6.1** The ~~2020~~2021/~~21~~22 Code includes changes relating to ~~the definition of material, the disclosure of prior period information, the presentation of statutory adjustments, and changes to disclosures required by statutory guidance in Scotland~~the Code's provisions on estimation uncertainty referring local authorities to the additional provisions in IAS 1 *Presentation of Financial Statements*.