

How do you decide what's relevant when preparing financial statements?

Making information in financial statements more relevant and less cluttered is one of the IASB's key focus areas. Its [guidance](#) includes a **four-step process** to help you make materiality judgements.



Identify information that has the potential to be material considering requirements in IFRS and primary users' needs

Assess whether the information identified is material considering quantitative and qualitative factors

Organise the information in a way that communicates the information clearly and concisely to primary users

Review the financial statements from a wide perspective and in aggregate

Stakeholders need information that is relevant and specific to a company's circumstances.